Fiji Ports Corporation Limited

ANNUAL REPORT 2023

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Fiji Ports Corporation Limited

Fiji's Gateway To Trade

The Year of Excellence

While we are deeply grateful for the awards we have received in the year, we are equally grateful that they reflect the strength and resilience of our organization, highlighted in our Vision, Mission, Values and our Corporate Culture. It is the way we do business.

Prime Minister's International Business Award
Best Crisis Recovery Initiative

World Cruise Awards 2023
Oceania's Best Cruise Terminal – Port of Suva

Fiji Business Excellence Award
President's Award Winner

Fiji Business Excellence Award
Green Sustainability Award for Overall Environmental Stewardship & Commitment to Environmental Excellence

Prime Minister's International Business Award
Excellence in E-Commerce Transformation

Fiji Human Resources Institute
2023 Excellence in Health & Safety (Gold Winner)

IAPH Akiyama Award
Climate & Energy for Pathway Towards Smart & Green Port

Fiji Human Resources Institute
2023 Excellence in Learning & Development (Gold Winner)

Our Vision

To be the Smart Green Gateway for trade in the Pacific region.

Our Values

- Professionalism
- Progressive Leadership
- Commercial Stewardship
- Corporate Citizenship
- Strategic Innovation
- Employees Wellbeing/Diversity

Our Mission

To invest significantly in new and upgraded seaport and ship repair facilities to support and enhance the economic growth and prosperity of Fiji, as well as providing key economic and lifestyle linkages throughout Fiji and our Pacific region. We will provide expertise to drive regional safety and capacity in respect of maritime infrastructure.

Our History

BEFORE 1975

- Function as a Port Authority
- Cargo Handling & Stevedoring
- Controlled by Overseas Companies with Agents in Fiji

1975

- Established by Act of Parliament
- Ports Authority of Fiji (PAF)
- Commercial Statutory Authority

1998

Reform created 2 entities

- Maritime and Ports Authority of Fiji (MPAF)
- Ports Terminal Limited
- Government Commercial Company

2004

- Declared fully owned Government Commercial Company
- Registered under Companies Act
- Fiji Ports Corporation Limited
- With subsidiary Ports Terminal Limited (PTL)
- Government Commercial Company

2009

- FPCL takes over Government Ship Yard
- Fiji Ships & Heavy Industries Limited (FSHIL) established

2013

- Public Private Partnership
- FPCL & Aitken Spence PLC
- Fiji Ports Terminal Limited as an Associate Company of FPCL

2015

- FPCL's Divestment of Shares Agreement
  41% Fijian Government owned
  39% Fijian National Provident Fund owned
  20% Aitken Spence PLC owned
- FSHIL remains 100% owned subsidiary of FPCL

Corporate Profile

Fiji Ports Corporation Pte Limited (Fiji Ports or FPCL) is the Port Management Company of Fiji appointed under the Sea Ports Management Act 2005 (SPMA). It is responsible for the management of the Ports and approaches to Ports that has been declared under the SPMA. The main Ports of Entry – Suva and Lautoka Ports and other declared ports include, Levuka, Malau and Wairiki.

FPCL also plays a regulatory role under the SPMA and regulates various Port activities including monitoring of environmental infringements within the Port boundary. FPCL continues to work with its stakeholders in ensuring effective sustainable management of our Ports and entries to Ports. As such, one of its focuses is growing trade through Fiji's Ports in a sustainable manner that will optimise returns.

Ownership Structure

FPCL is a Public Private Partnership (PPP) registered as a Private Company under the Companies Act 2015. It solely owns Fiji Ships & Heavy Industries Limited (FSHIL) and has 49% shares in the Ports Terminal Operator – Fiji Ports Terminal Limited.

FPCL - Ports Management Company
FPTL - Ports Terminal Operator
FSHIL - Provides Slipway and Ship Repair Services & Heavy Industry works

Principles upon which this report is based:

Obligations Under Law

- Sea Ports Management Act 2005
- Maritime Transport Act 2013
- Companies Act 2015
- Income Taxation Act 2015
- Environment Management Act 2005
- Health and Safety at Work Act (HASAWA) 1996
- Employment Relations Act 2007
- Fijian Competition & Consumer Commission Act 2010
- Maritime (Code) Regulations 2014
- International Ship & Port Facility Security (ISPS) Code

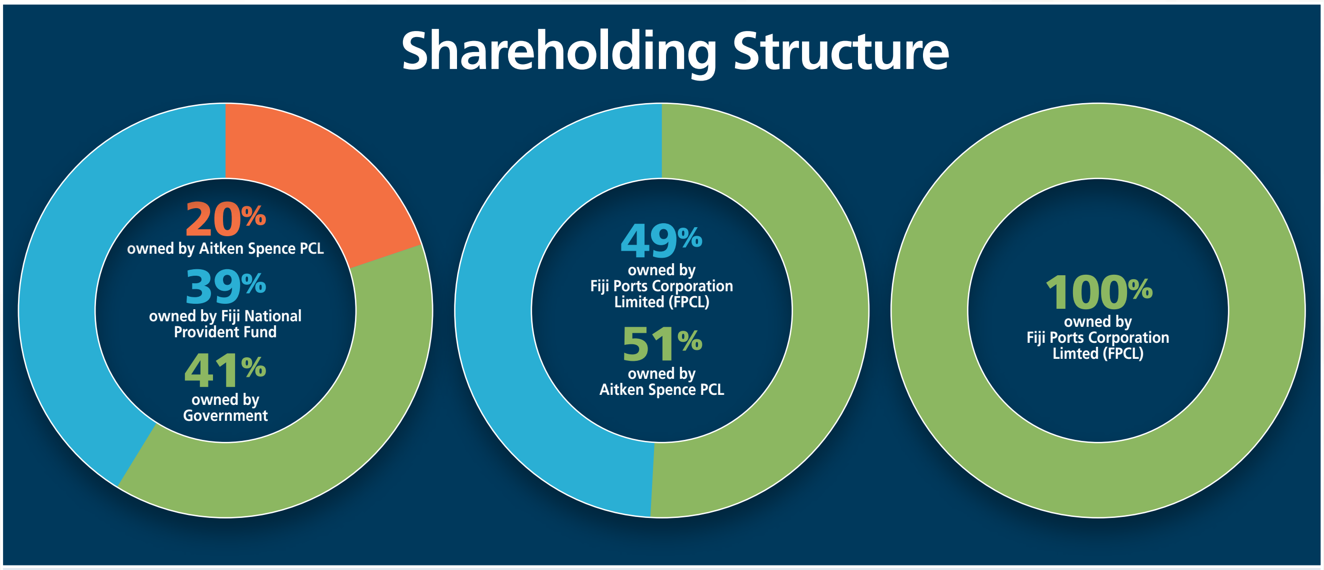
International Certifications

FPCL

- ISO 9001:2015 Quality Management System
- ISO 45001: 2018 Occupational Health & Safety Management System
- ISO 14001: 2015 Environmental Management System
- ISO 22316: 2017 Organisational Resilience - Security and Resilience

FSHIL

- ISO 9001:2015 Quality Management System



Fiji Ports Corporation Limited

A Port Management Company in Fiji

An Associate Company of FPCL that manages the Cargo Terminals in Suva and Lautoka Ports

A Subsidiary of FPCL providing Slipway and Ship Repair Services and Heavy Industry work

Highlights - Key Achievements in 2023

1. 2022 Bonus & Dividend Payout
2. Successful Completion of Re-Certification of Integrated Management System
3. FPCL receives ISO 22316:2017 Organizational Resilience Certification
4. Major Projects (Commenced / Ongoing)
   - Port of Lautoka Yard 4 Project
   - Port of Lautoka Wharf Rehabilitaion Project
   - New Muiwalu II Inter-Island Passenger Terminal Project
   - Port of Levuka Rehabilitation Project
   - Fiji Ships Slipway Rehabilitation Project
   - Lautoka Foreshore Development Project
   - Port of Suva Kings Wharf Southern Upgrade Project
   - Suva Port Relocation Feasibility Study Project
5. International & Local Awards:
   - Fiji Business Excellence President's Award
   - Prime Minister's International Business Awards
   - Fiji Human Resource Institute Gold Awards
   - Ports of Suva wins the Oceania's Cruise Award for a third consecutive year
   - Green Port Initiative wins IAPH Akiyama Award for the second consecutive year
6. FSHIL:
   - Progress with Key Infrastructure Development Projects (Slipway Rehabilitation)
   - Successful completion of the ISO 9001:2015 Quality Management System Audit
   - Implementation of the Quality Circle Projects to Support Green Port Initiative

Aerial view of Port of Suva

01 Executive Summary

Chairman's Report

It is indeed my privilege to present the 2023 Annual Report of Fiji Ports Corporation Pte Limited (FPCL) and its subsidiary company, Fiji Ships & Heavy industries Pte Limited (FSHIL).

The Company has made significant progress, demonstrating our resilience and commitment to growth, innovation, sustainability, and business excellence.

The Fiji Economy demonstrated robust recovery, continuing its rebound from the severe impacts of the COVID 19 pandemic. The Reserve Bank of Fiji has revised Fiji's growth projections upward, reflecting a positive outlook for the economy. Key drivers of our recovery included a strong resurgence in tourism arrival and increased consumer spending.

Consequently, the year ended on a positive note with favourable trade environment and positive financial results. The report will focus on performance highlights and strategic initiatives and future prospect.

FPCL has demonstrated robust performance in 2023, despite global economic uncertainties and inflationary pressures. The Group's Net Profit After Tax (NPAT) of $27.84 million, a 3% increase from 2022, was attributed to a strategic approach to operational efficiency, service expansion, and infrastructure improvements. The economic rebound was attributed to an increase in overall cruise vessel arrivals with the normalization of global Tourism in the Asia Pacific region while the import and export trade volumes were moderately maintained.

FSHIL's marginal Net Profit after tax of $128,000 was quite significant, despite aging infrastructure impacting revenue. With the slipway rehabilitation works underway, Management is confident of a post-rehabilitation turnaround later in 2024.

FPCL intends to pay $16.7 million in dividends to shareholders for 2023 financial year and, maintaining a stable balance sheet with a healthy cash position of $40.5 million. The Group's total assets increased by $15.2 million, while liabilities increased by $2.9 million due to increased tax liability and trade payables. The Group has recorded a 15.38% return on equity and a strong liquidity ratio of 9.1:1. The healthy balance sheet strengthens Group's overall financial position, enhances its creditworthiness, and creates a solid foundation for sustainable growth for Fiji Ports Corporation Limited as Fiji's only port management company.

Major Strategic Initiatives Include:

- **Infrastructure Development:** FPCL has invested heavily in upgrading its port infrastructure to improve capacity and efficiency. Key projects include Wharf Rehabilitation projects in Suva and Lautoka, aiming to increase port capacity and handle larger cargo volumes. These improvements are aimed to enhance port efficiency that supports economic growth.

  FSHIL's Slipway Rehabilitation project aims to enhance functionality, efficiency, and safety, meeting industry standards. This project reflects the company's commitment to continuous improvement and maintaining high standards in vessel repair and maintenance.

  The Suva Port Relocation Feasibility Study project is nearly complete, with three potential sites shortlisted during stakeholder consultation. These sites will undergo further assessments to determine their suitability based on environmental impact, economic viability, and logistical considerations. FPCL is committed to ensuring relocation decisions are based on comprehensive assessments and align with Fiji's long-term development goals.

- **Digital Transformation:** FPCL has implemented cloud-based solutions for enhanced flexibility, cost-efficiency, and accessibility, aligning its infrastructure with its dynamic needs. These initiatives set the foundation for sustainable growth and innovation, with future upgrades planned for 2024.

- **Sustainability and Environmental Stewardship:** FPCL is committed to sustainable development. In alignment with FPCL environmental responsibility goals we continued to implement several green initiatives, including renewable energy projects and waste management programs.

- **Stakeholder Engagement:** FPCL prioritised strengthening relationships with stakeholders like government agencies, shipping lines, and local communities. FPCL signed several Memorandum of Understanding to establish partnerships with key authorities like Fiji Navy, Land & Transport Authority, Maritime Safety Authority, and Ministry of Fisheries.

Although FPCL experienced growth in 2023, there are challenges due to global supply chain disruptions and economic fluctuations in the short and medium term. To mitigate these, FPCL diversified its service offerings and strengthened crisis management protocols. As we embark on this journey, FPCL will remain its focus on innovation, sustainability, and growth. FPCL aims to modernize port facilities, enhance digital capabilities, reduce environmental impact, and build strong stakeholder relationships for mutual success.

I wish to thank our shareholders, the Government, Fiji National Provident Fund, and Aitken Spence PLC, for their unwavering support and guidance over the years. I also greatly appreciate their continued partnership in the years ahead.

It is pleasing to note FPCL received eight (8) international and local awards and recognitions one of which was the prestigious President's Fiji Business Excellence Award, which recognizes FPCL's demonstrated leadership, sustainability and best practices in business operations.

The Port of Suva received esteemed recognition at the 2023 World Cruise Awards, where FPCL was honoured again with the title of Oceania's Best Cruise Terminal 2023, for the third consecutive year. This accomplishment not only places the Port of Suva on the global stage but also instils a sense of pride for Fiji as a whole.

We recognize the dedication and efforts of the FPCL and FSHIL teams in maintaining our service standard and supporting the Fiji economy in its recovery efforts. Despite uncertainties, FPCL remains committed to providing reliable and efficient port operations while navigating the ever-evolving landscape of the maritime industry.

My gratitude extends to our dedicated employees, executive management, management team, and Board of Directors for their unwavering commitment and hard work. Special thanks to our customers and stakeholders for their continued trust and support. Together, we have navigated a challenging year and emerged stronger.

Once again, I wish to extend my heartfelt thanks to all those who have contributed to the success and resilience of FPCL. FPCL is well-positioned for future growth, and I am confident that with our strategic direction, we will continue to achieve remarkable success. Thank you for your continued support as we strive to up lift Fiji's maritime industry and contribute to the nation's economic development.

Thank you.

Pita Wise
Chairman

Dredging works at Port of Lautoka

CEO's Report

I am pleased to present the Chief Executive Officer's Report for 2023, a year marked by outstanding achievements and forward momentum. Despite global challenges, Fiji Ports Corporation Pte Limited (FPCL) demonstrated resilience, adaptability, and an unwavering commitment to facilitating trade and fostering economic growth in Fiji.

Driving Strategic Progress

In 2023, FPCL continued to advance its strategic priorities, delivering meaningful change within our organization and across the port industry. By leveraging cutting-edge technology and adopting innovative digital solutions, we achieved substantial gains in operational efficiency and elevated the customer experience, thereby strengthening the overall supply chain.

Sustainability and Environmental Stewardship

At FPCL, sustainability and environmental stewardship are integral to our identity as a responsible corporate citizen. We are committed to minimizing the ecological footprint of our port operations while championing energy efficiency and resource conservation. Through our Green Port initiatives, in 2023, we actively pursued innovative solutions to reduce emissions, optimize resource use, and protect our natural environment for future generations.

Our commitment to sustainability extends beyond Fiji, fostering collaboration with regional partners to promote sustainable practices across the Pacific. By leading the charge in sustainable port operations, we aim to create a lasting positive impact locally, regionally, and globally. Our ongoing focus on environmental protection reinforces our position as a trailblazer in driving a greener, more sustainable maritime industry.

Operational Performance

FPCL achieved a robust operational performance in 2023, reflecting growth across key indicators and reinforcing our role as a critical enabler of Fiji's trade and commerce. Notable highlights include:

- **Revenue Growth:** FPCL recorded an impressive 9% increase in revenue, reaching $66.5 million, compared to $60.9 million in 2022.
- **Net Profit:** Net Profit After Tax (NPAT) rose by 7%, amounting to $27.75 million, underscoring our disciplined cost management and strategic operational execution.
- **Cargo Throughput:** Total cargo throughput includes bulk and containerised which saw an increase of 3%, reflecting heightened activity across foreign and local trade.
- **Containerised Cargo:** A 3% decrease was observed, with containerised cargo reaching 186,767 TEUs, up from 192,540 TEUs in 2022.
- **Vessel Traffic:** in 2023, 1,001 vessels were recorded as foreign vessels excluding fishing. The total number of foreign vessel calls grew by 11%, with 1,545 vessels docking at FPCL ports, compared to 1,393 arrivals in 2022 (including fishing).

These outcomes reflect the collective effort of our team and stakeholders in delivering operational excellence, adapting to market demands, and maintaining efficiency in a dynamic environment.

Financial Performance

FPCL delivered a stellar financial performance in the 2023 fiscal year, reflecting the significant recovery in tourism and a strong rebound in global trade. A key highlight of the year was the substantial increase in cruise liner arrivals, which contributed to our robust performance. The company achieved a Net Profit After Tax (NPAT) of $27.75 million, representing a 7% increase, or $1.7 million, compared to 2022. This growth was partly driven by a tax credit adjustment of $2.3 million, resulting from the tax rate increase from 20% to 25% in 2023, which adjusted our deferred tax asset.

Despite the challenges posed by global recessionary and inflationary pressures, exacerbated by geopolitical tensions, FPCL demonstrated extraordinary financial resilience and effective management. A key factor behind our strong performance was a 9% increase in operating revenue, underlining our ability to navigate external challenges while maintaining growth.

The revival of the tourism sector played a pivotal role in strengthening our economic performance, with higher vessel traffic and the resumption of cruise liner visits driving revenue to pre-pandemic levels. Although there was a slight 1% decrease in other revenue, this reflected the normalization of dividend income from our Associate Company, FPTL, as we returned to pre-pandemic levels.

These achievements not only highlight our capacity to adapt to dynamic market conditions but also showcase the strength of our business strategy and operational execution. Through capitalizing on emerging opportunities and optimizing our investments, FPCL continues to position itself as a leader in the maritime industry, driving sustainable growth and delivering long-term value to our stakeholders.

Infrastructure Development

In 2023, FPCL reaffirmed its commitment to enhancing Fiji's port infrastructure to drive operational efficiency and foster economic connectivity. The successful completion of 10 key projects across Suva, Lautoka, and Levuka Ports has enabled FPCL to accommodate larger vessels and facilitate greater cargo volumes, optimize cargo handling processes for faster turnaround times and more importantly to improve port facilities to meet the growing demands of international trade.

These infrastructure upgrades have not only strengthened Fiji's supply chain efficiency but also positioned FPCL as a strategic gateway to global markets, attracting international shipping lines and stimulating trade activity. Looking ahead, FPCL remains focused on ongoing infrastructure development to align with evolving stakeholder needs. By building a resilient and future-ready port network, FPCL aims to enhance Fiji's competitiveness, stimulate investment, and solidify its role as a regional trade hub, fostering sustainable economic growth.

5 Year Strategic Plan Implementation and Green Port Initiatives

FPCL remains unwavering in its dedication to executing the Five-Year Strategic Plan and advancing Green Port Initiatives, which serve as the foundation for the organization's growth, innovation, and sustainability ambitions. Central to this vision is the continued emphasis on infrastructure development, ensuring alignment with strategic objectives that drive transformative change and contribute meaningfully to Fiji's economic prosperity.

Notably, FPCL has demonstrated significant progress in its environmental commitments, achieving an average 11% reduction in greenhouse gas (GHG) emissions over the past five years. The company is on track by 2024 to further decrease its carbon footprint by 220 tonnes, representing a 25% reduction, as part of its ambitious sustainability targets. With the goal of attaining carbon neutrality in energy usage by 2050, FPCL is steadfast in its efforts to lead the maritime industry toward a greener, more sustainable future, setting benchmarks for environmental stewardship and responsible growth.

Digital Transformation and Smart Port Initiatives

The journey toward digitalization in 2023, has not only improved operational performance but also aligned FPCL's focus on sustainability and environmental stewardship, driving greener and more responsible practices.

Since the implementation of the Information Systems Strategic Plan (ISSP) in 2019, FPCL has successfully executed several key projects that have significantly strengthened and enhanced the delivery of ICT services, further solidifying its position as a forward-thinking leader in the maritime sector.

FPCL has made significant progress in advancing its digital infrastructure, underscoring its commitment to innovation, efficiency, and resilience. Key achievements include enhancing IT border security infrastructure with robust monitoring and response capabilities, ensuring the protection of critical systems and data. The integration of business continuity measures within the organizational continuity plan has strengthened FPCL's resilience against disruptions.

Additionally, the implementation of comprehensive IT policies and procedures has reinforced consistency and security across operations. Automation of systems and processes has streamlined workflows, while improvements in data quality, integrity, and representation have enhanced decision-making and operational transparency. The unification of systems has fostered seamless integration, and the introduction of a Learning and Knowledge Management System has empowered employees through better access to information and training. Moreover, FPCL's focus on adopting international best practices has set the foundation for achieving industry certifications, solidifying its position as a leader in innovative and sustainable port management.

Milestone Achievements

In 2023, FPCL proudly celebrated a series of milestone achievements that underscore our unwavering commitment to excellence, innovation, and sustainability. A highlight of the year was the successful completion of the Integrated Management System (IMS) audit, reaffirming our recertification under ISO 9001:2015 for Quality Management, ISO 14001:2015 for Environmental Management, and ISO 45001:2018 for Occupational Health and Safety. Further elevating our standards, we introduced a new dimension to the IMS with the adoption of ISO 22316:2017, the Organizational Resilience standard. This significant addition reflects our proactive approach to strengthening resilience, ensuring that FPCL remains robust, adaptable, and future-ready in the face of evolving challenges. These achievements not only solidify our leadership in operational excellence but also demonstrate our steadfast dedication to fostering a culture of continuous improvement and sustainable growth.

In 2023, FPCL proudly received eight prestigious international and local awards, a testament to our commitment to excellence, innovation, and sustainability. Among these accolades were the President's Award and the Green Sustainability Award at the Fiji Business Excellence Awards (FBEA), highlighting our dedication to environmental stewardship and organizational excellence. At the Prime Minister's International Business Awards, we were honored with recognition for the Best Crisis Recovery Initiative and Excellence in E-Commerce Transformation, showcasing our resilience and adaptability in a dynamic global landscape. The Fiji Human Resources Institute (FHRI) awarded FPCL gold in both the Health and Safety and Learning & Development categories, acknowledging our investment in people and workplace well-being.

On the international stage, we received the IAPH Akiyama Award for Climate & Energy from the International Association of Ports and Harbors (IAPH) for our sustainability efforts and were named Oceania's Best Cruise Terminal for the Port of Suva, affirming our position as a leader in the maritime industry. These achievements reflect our relentless pursuit of excellence and our role as a driving force in the region's economic and environmental progress.

Outlook for 2024

As FPCL looks to the future, 2024 promises to be a pivotal year marked by continued progress and transformative initiatives. Building on our strong foundation, we will prioritize the expansion and modernization of our port infrastructure to enhance capacity, improve efficiency, and meet the growing demands of global trade. Simultaneously, we are committed to advancing our digital capabilities, embracing innovation to optimize operations, streamline processes, and deliver exceptional service to our customers.

Sustainability remains central to our vision for 2024, with plans to implement additional green initiatives that promote environmentally responsible practices and align with our long-term goal of achieving carbon neutrality. This includes our plans to complete the design stage of proposed inter-island Terminal building incorporating the Leadership in Energy and Environmental Design (LEED) green building rating system.

Furthermore, the development of a new 5-Year Strategic Plan will guide FPCL's efforts, ensuring our strategies remain adaptive and aligned with emerging trends and challenges. Strengthening relationships with stakeholders will also be a key focus, fostering collaboration and mutual growth to drive shared success. With these priorities, FPCL is poised to lead the way in shaping a resilient, innovative, and sustainable future for Fiji's maritime sector.

Acknowledgement

I would like to extend my heartfelt gratitude to the entire FPCL and FSHIL teams for their unwavering dedication, hard work, and tireless commitment to our shared goals. It is thanks to their exceptional contributions that we have achieved resounding success in a year filled with challenges. Despite the heightened expectations and complexities brought about by the post-pandemic landscape, our team has consistently raised the bar, exceeded all expectations, and demonstrated resilience in an extraordinary manner.

I am profoundly grateful for the support and guidance provided by our talented management team. Their dedication, trust, and relentless pursuit of excellence have been the driving force behind our remarkable achievements, and their commitment to our vision has allowed Fiji Ports to thrive. The successful execution of our day-to-day operations, often under difficult circumstances, would not have been possible without their collective effort and passion.

I would also like to express my sincere appreciation to the Chairman and Board of Directors for their invaluable guidance, strategic foresight, and prompt decision-making. Their balanced approach seamlessly integrating business performance with social responsibility, environmental stewardship, and the implementation of vital policies has been instrumental in positioning FPCL as an industry leader. Their leadership has been a cornerstone of our continued success.

Furthermore, I extend my appreciation to our partners across the relevant Government Ministries, the management team of FPTL, and all of our key stakeholders. It is through their continuous collaboration, partnership, and unwavering support that we have been able to achieve our goals and make a meaningful impact on Fiji's economy. As we look ahead, we are committed to continue working hand in hand with all our stakeholders to bring our 5-Year Strategic Plan to fruition, and we are appreciative of their ongoing commitment to our shared vision.

Finally, I extend my warmest wishes for a year ahead filled with safety, growth, and prosperity. Together, we will navigate challenges, seize new opportunities, and continue to drive the success of FPCL for the benefit of our community, economy, and environment.

Vinaka Vakalevu

Vajira Piyasena
Chief Executive Officer

79 Cruise Vessels visited in 2023

Approach to Reporting

Progress in Achieving Our Six Strategic Perspectives

Strategic Perspective 1 - Governance

To enhance our governance processes by aligning external/ regulatory functions to effectively facilitate the governance framework, ensuring the organization achieves a balance between commercial and social deliverables required by shareholders.

Strategic Perspective 2 - Infrastructure

This is focused on monitoring the state of critical infrastructure by implementing rehabilitation measures to maintain FPCL assets in an optimum level of condition. FPCL will ensure that the new port development projects are implemented to improve efficiency by benchmarking against world-class international operational standards. FPCL will collaborate with key stakeholders/agencies in all aspects of port development on the relocation plan for Suva Port.

Strategic Perspective 3 - Finance

To spearhead the Commercial and Financial Stewardship of FPCL to ensure that shareholder value is retained, in the midst of implementing strategic development initiatives, such as the Suva Cargo Port relocation. Facilitate long term funding options and provide financial insights to ensure agreed annual outcomes are achieved, while evaluating and supporting options to finance all the projects outlined in the 5-Year Strategic Plan. Develop and introduce customer- centric systems and processes to optimise customer experience and be a catalyst to progress towards earning recognition as the Smart and Green Port of the Pacific.

Strategic Perspective 4 – Organisation Capacity

To optimise the new organizational structure in alignment with the strategic objectives through rigorous requirements processes. FPCL is committed to providing capacity building and development, supporting staff retention strategies, promoting gender equality and maintaining integrity through a professional workforce.

Strategic Perspective 5 - Environment and Sustainability

FPCL is committed to assessing and implementing Port Sustainability Guidelines and Green Port Initiatives.

Strategic Perspective 6 - Safety, Security & Technology

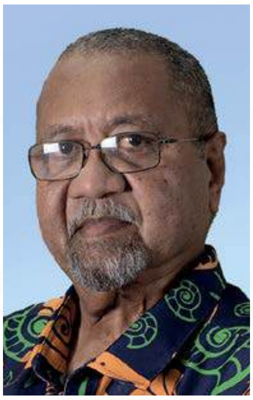
Continue to enhance the review of safety and security procedures to meet and exceed the required International Ship and Port Facility Security (ISPS) Code and adopt a safe workplace culture. FPCL is focused to implement advanced technology systems to enhance its operational capabilities to be a leading Smart port in the region.

Board of Directors

GOVERNMENT REPRESENTATIVES


Pita Wise
CHAIRMAN


Waqa Bauleka
DIRECTOR


Emosi Varea
DIRECTOR


Vijay Maharaj
DIRECTOR

FIJI NATIONAL PROVIDENT FUND REPRESENTATIVES


Tevita Lomalagi
DIRECTOR


Ashwin Pal
DIRECTOR


Niranjwan Chettiar
DIRECTOR

AITKEN SPENCE PLC REPRESENTATIVES


Dr Parakrama
Dissanayake
DIRECTOR


Iqram Cuttilan
DIRECTOR

Corporate Governance

FPCL is dedicated in cultivating a robust corporate governance culture guided by our core organizational values of professionalism, progressive leadership, commercial stewardship, corporate citizenship, strategic innovation, employee well-being, and diversity. We firmly assert that such a culture not only generates sustainable value but also significantly bolsters long-term equity performance. The foundation of sound governance practices is built on accountability, transparency, fairness, trust, and independence, which are essential for the long-term sustainability of our organization. We remain steadfast in our commitment to upholding these principles, recognising their indispensable role in navigating the complexities of the business landscape and fostering trust among stakeholders.

Board of Directors

The Board of Directors at FPCL play a vital role in guiding and overseeing the strategic direction and performance of the organization. Comprised of experienced professionals from diverse backgrounds, the Board provides invaluable insights and expertise in decision-making processes. By setting clear objectives and goals, the Board ensures alignment with the organization's vision while also monitoring performance metrics to drive sustainable growth and value creation. Furthermore, the Board acts as a custodian of stakeholders' interests, balancing the needs of shareholders, employees, customers, and the community at large. Through robust oversight and prudent risk management, the Board upholds principles of accountability, transparency, and ethical conduct, promoting trust and confidence in FPCL's operations. With a commitment to excellence and integrity, the Board steers the organization towards achieving its objectives and fulfilling its broader responsibilities to society.

Composition of the Board

The Board has a unitary board structure with nine directors comprising of four directors nominated by Government, three nominated by the Fiji National Provident Fund and two nominated by the Aitken Spence PLC. The Board Chairman is appointed by the Board from the Directors nominated by Government.

In 2023, FPCL experienced significant transitions in its board team, including the resignation of some esteemed directors, among them the Chairman – Mr. Shaheen Ali. As the organization bids farewell to these directors, it does so with gratitude for their invaluable contributions. FPCL welcomed its new Chair and board members, whose leadership and expertise will guide us as we strive for continued success and growth. While the transition may have brought about a period of adjustment, FPCL remained steadfast in its commitment to the achievement of its mission and its strategic goals.

Board Sub-Committees

The Board Subcommittees being the Finance, Audit & Risk Management Subcommittee, the Technical, Infrastructure & Sustainability Subcommittee and the Human Resources Subcommittee are a vital component of FPCL' s governance structure. Throughout the fiscal year, the Subcommittee's convened to deliberate on matters crucial to the organization's financial performance, human resources management, and infrastructure development.

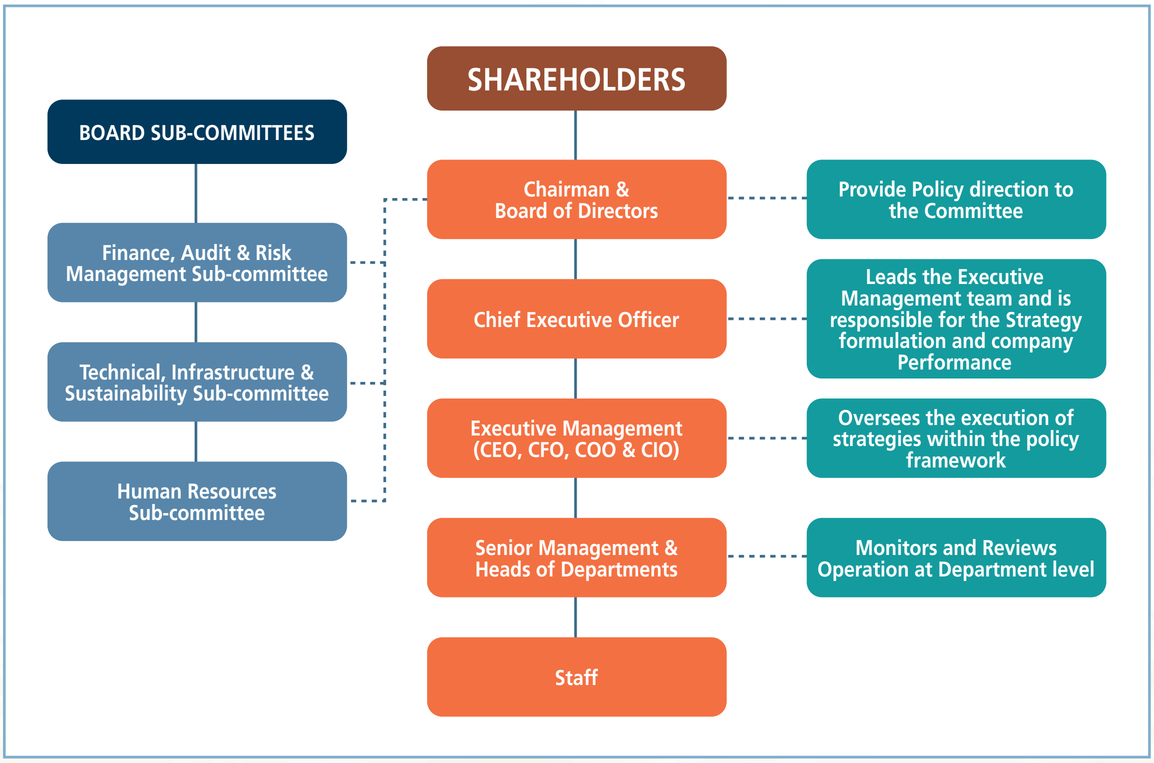
The subcommittees serve as a specialised forum for in-depth discussions and strategic decision-making. With the realm of the Board Finance, Audit and Risk Subcommittee, the committee diligently reviews financial performance, risk management aspect, audit reports and its implementation, and legal and ICT aspects.

Simultaneously, the HR subcommittee focuses on talent acquisition, employee development, and organizational culture enhancement initiatives, safeguarding FPCL's most valuable asset—its employees.

Further, the Technical, Infrastructure & Sustainability Subcommittee oversees the planning and execution of key projects related to facility maintenance, asset management and sustainable operations and port development.

By convening regularly and leveraging their collective expertise, the respective Subcommittee's play an important role in driving FPCL's sustainable growth while upholding the highest standards of governance and operational excellence.

Port of Suva - Local Wharf



The Decision-Making Structure

Meetings

With the significant transitions in its leadership team, this period of adjustment inevitably led to fewer meetings than usual. However, despite these changes, the organization continued to perform at peak levels where the directors and management team collaborated effectively to ensure continuity in decision-making processes and the execution of strategic initiatives.

Directors	Board Meetings		Board Sub-Committee Meetings					
			Finance, Audit & Risk Management Sub-committee		HR Sub-committee		Technical, Infrastructure & Sustainability Sub-committee	
	A	B	A	B	A	B	A	B
Mr Pita Wise	2	2					4	2
Mr Emosi Varea	2	2			2	2		
Mr Waqa Bauleka	1	1					4	4
Mr Vijay Maharaj	2		1					
Mr Vilash Chand	1	1					1	1
Mr Iliesa Lutu	1	1			1	1		
Mr Tevita Lomalagi	2	2	1	1	1	1		
Mr Ashwin Pal	2	2	2	2				
Mr Niranjwan Chettiar	2	2					4	4
Mr Iqram Cuttilan	2	2			2	2	4	4
Dr Parakrama Dissanayake	2	2						

NT: **A** : Number of meetings held while being a member.
B : Number of meetings attended.

Enterprise Risk Management

FPCL adopts the International Risk Management Framework ISO 31000 that provides a standard approach on the management of risks.

The framework is depicted in the diagram below:

AS/NZS ISO 31000:2009 Framework

The implementation of the ISO 31000 framework has significantly strengthened our risk management practices within the organization. By integrating this internationally recognized standard into our operations, we have established a systematic approach to identifying, assessing, and mitigating risks associated with port activities, including operational, environmental, and security challenges. This framework promotes a culture of proactive risk management, ensuring that risk considerations are embedded in our strategic decision-making processes. As a result, we are better equipped to navigate uncertainties, enhance safety and efficiency, and maintain the integrity of our services, ultimately supporting our commitment to sustainable growth in the port sector.

Internal Audit

Internal audit serves as an important operational safeguard within FPCL, systematically assessing the efficacy of key controls identified by management and ensuring adherence to existing policies and procedures while identifying areas for improvement.

In March 2023, the Board through the Board Finance, Audit and Risk Management Subcommittee appointed BDO Chartered Accountants as internal auditors for the year. BDO conducted triannual audits for both FPCL and FSHIL.

The audit reports submitted by Chartered Accountants met the requisite standards for content and analysis expected from internal auditors. For the 2023 fiscal year, the auditors undertook three audit visits each for FPCL and FSHIL. Provided below that audit focus area.

Fiji Ports Corporation Limited

Audit Area	Audit Focus
Human Capital Services & Operations (Local Wharf & Harbor Master)	• Leave reconciliation • Performance Managment System • Remuneration Policy • Local Wharf & HM revenue process • Operations movement recording & documentation
Procurement & Stock Management	• Procurement & Tender process • Receipt of stock process • Inventory cycle • Stock reconciliation • Board of survey process (removal of obsolete items) • Effectiveness of the policy • Revenue automation
Asset Management	• Tenancy contract management • Transport management • Building inspections process • Preventative maintenance process • Servicing & Maintenance reporting • Utility consumption tracking & reporting • Robustness of assets debt collection process

Fiji Ships and Heavy Industries Limited

Audit Area	Audit Focus
Human Capital Services & OHS Compliance	• Effectiveness & reliability of the TNA system (if TNA optimization used with adequate controls) • Leave reconciliation • Recruitment process • Remuneration Policy
Procurement & Tender Process	• Effectiveness of policy & procedures • Emergency procurement process • Stock procurement & adjustment • Tender process
Estimation & Projects	• Estimation process • Scope creep approval • Budget & actual costings gap analysis • Compliance to the SOP's • Contract performance

Legal Update

The Legal arm of the Legal, Risk and Compliance Unit plays a multifaceted role within the company, encompassing various critical functions aimed at upholding legal compliance and mitigating risks. One of its primary responsibilities lies in contract management, where it comprehensive reviews and negotiates contracts to safeguard the company's interests while ensuring adherence to legal standards and obligations. Additionally, the Legal team conducts thorough legal reviews of correspondences, including agreements, circulars, and other documents, to identify and address any legal implications or risks.

Furthermore, it plays a role in enforcement and regulatory compliance, staying abreast of relevant laws and regulations to ensure the company's activities align with legal requirements. For litigated cases, there are 15 cases for both FPCL and FSHIL where most are instituted by FPCL for removal of sunken vessels and debt recovery.

As a significant achievement, Management secured a grant funding from the Australian Government through the Australian Infrastructure Financing Facility for the Pacific (AIFFP) on 22 November 2023 for the study on the development options for the Lautoka Foreshore Area in the amount of AUD 380,000.

Overall, the Legal Unit serves as a vital guardian of the company's legal interests, contributing to its success by navigating legal complexities and promoting a culture of compliance and integrity.

Communication with Stakeholders

FPCL recognizes the importance of engaging with external stakeholders to gather valuable insights and feedback. To facilitate effective communication and collaboration, operational departments within FPCL are required to schedule regular meetings with external stakeholders. These meetings allow stakeholders to share their views and contribute to improving FPCL's operations, reflecting FPCL's commitment to incorporating diverse perspectives and enhancing satisfaction. Recognizing stakeholders as key contributors, FPCL maintains regular communication to identify their needs, address concerns, and foster positive relationships, ultimately enhancing operational effectiveness, trust, and overall success.

Signing of Memorandums of Understanding & Inter-Agency Collaborations

To strengthen collaborative endeavours, FPCL successfully signed several Memorandums of Understanding (MOUs) during the year, establishing meaningful partnerships with key stakeholders such as the Fiji Navy, Land Transport Authority, Maritime Safety Authority of Fiji, Australian Infrastructure Financing Facility for the Pacific and Ministry of Fisheries.

These alliances are important in FPCL's journey, serving as crucial components in realising our shared objectives. With shared objectives and a mutual vision, these collaborations promises not only to set a higher standard for the safety of our ports but also provide opportunities for ground-breaking initiatives that will benefit the port community.

Signing of the Grant Agreement for the feasibility study on the Lautoka Port Foreshore Development between FPCL and Australian Infrastructure Financing Facility for the Pacific

MoU signing between FPCL and Fiji Navy

MoU signing between FPCL and Ministry of Fisheries

Quality Assurance

As a company certified with a number of international standards Fiji Ports Corporation Pte Limited (FPCL) is committed to maintaining its competitiveness through continual improvement and the provision of exceptional services. FPCL recognizes the importance of mitigating risks, capitalizing on opportunities, and utilizing tools for continual improvement within the organization.

In FPCL's pursuit of excellence, the Quality Assurance Unit remains a steadfast guardian of resilience and dedication to quality. As a company holding a number of international certifications, FPCL's commitment to continuous improvement is evident across its operations. In 2023, the Quality Assurance Unit achieved significant success, seizing new opportunities for enhancement while ensuring compliance with FPCL's Integrated Management System and FSHIL's Quality Management System.

With departmental objectives outlined at the commencement of the year, the Quality Assurance Unit continued to provide efficient and high-level support to all departments and units for working towards their strategic goals and objectives.

Highlights of Key Projects:

- Establishment of Quality Circle Teams and commencement of Quality Circle Projects;
- Successful completion of the FPCL Integrated Management System (IMS) Audit (Recertification of ISO 9001: 2015; ISO 14001:2015 and ISO 45001:2018);
- Introduction of new ISO standard into the Integrated Management System - ISO 22316:2017 Organisational Resilience standard;
- Review of Policies and Standard Operating Procedures;
- Internal Audit (Stage One and Stage Two);
- Continuous organization awareness on the FPCL Quality Management System;
- Completion of Management Review Meeting; and
- Development, review and implementation of organisation wide standard operating procedures.

External IMS Certification Audit

In October 2023, FPCL successfully completed the Integrated Management System external audit conducted by the certification body, Det Norske Veritas (DNV). The audit covered the ISO 9001: 2015 Quality Management System, ISO 45001: 2018 Occupational Health & Safety Management System, and ISO 14001: 2015 Environmental Management System. All three standards underwent a recertification audit. The audit was conducted in a combination of remote and on-site basis by the auditors.

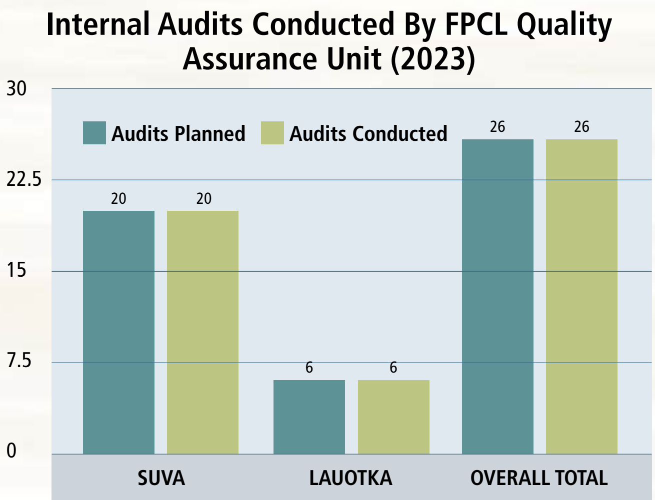
FPCL has successfully achieved recertification of its Integrated Management System: ISO 9001:2015 Quality Management System; ISO 45001:2018 OHS Management System and ISO 14001:2015 Environmental Management System. The validity of the recertification cycle is now extended till December 2026.

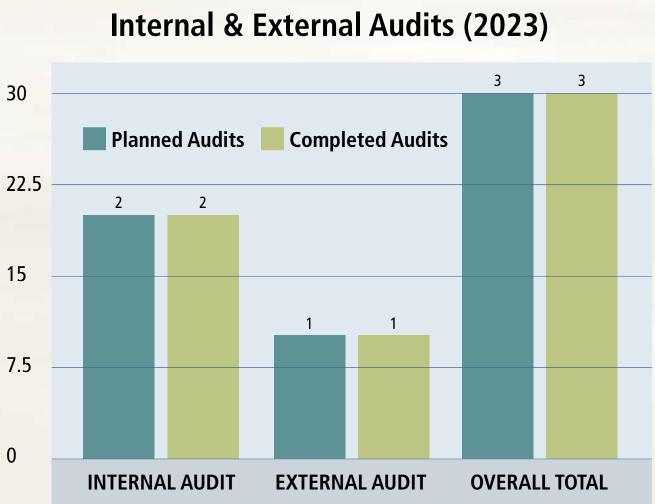
Accreditation of ISO 22316:2017 Organisational Resilience certification

FPCL has successfully integrated a new certification to ISO Standard: ISO 22316 Organizational Resilience Management System. We are pleased to announce that, following an external audit by our auditors, Det Norske Veritas (DNV), FPCL achieved certification for this standard. In July 2023, DNV conducted a training workshop to support the adoption of the new standard, followed by the implementation audit during the Integrated Management System External Audit in October. FPCL received its compliance to Organizational Resilience certification for ISO 22316:2017 in November 2023.

Internal Quality Audits

The Quality Assurance Unit successfully facilitated twenty-six (26) internal audits in various departments and units in 2023 with the assistance provided by the trained internal auditors of FPCL.





Executive Management Team

Vajira Piyasena
MBA, MSc, PG Dip Management (Prod & Tec), PG Dip International Affairs, PG Dip Business (Quality & Ops Mgmt), CEng (MIE) (Ind)I Eng, FIMarEST (UK), FRINA (UK), FCILT (UK), CQP FCQI (UK), CMgr FCMI (UK), Marine Eng. (Class 1) DoT UK
Chief Executive Officer

Vajira Piyasena brings over 35 years of multi-disciplinary, international experience as a maritime professional, academic, and management consultant. Since 2011, he has served as the Chief Executive Officer of Fiji Ports Corporation Limited (FPCL), leading the then state-owned entity and its subsidiary companies, Ports Terminal Limited (PTL) and Fiji Ships and Heavy Industries Limited (FSHIL). Under his leadership, FPCL underwent transformative reforms, which modernized port operations and positioned the organization at the forefront of the region's maritime industry.

As a Marine Chief Engineer, he had a seagoing career serving with major international shipping companies. Transitioning ashore, he played a pioneering role in establishing Sri Lanka's first private-sector Maritime Training and Education Institute. His extensive expertise spans international shipping, marine engineering, maritime education and training, ship repairs and shipbuilding, and maritime safety.

Vajira also founded a management consultancy firm, providing strategic solutions to over 100 companies. His consultancy projects have focused on integrated management systems, policy development, corporate restructuring, and international business expansion.

Vajira has received executive training at Harvard Business School and Goizueta Business School and beyond his executive roles, he is a dedicated contributor to academia, serving on the MBA Advisory Committee at the University of the South Pacific. He has also served as a Member of the Panel of Review for the Fiji Business Excellence Award, reflecting his commitment to fostering excellence in sustainable business practices.

Captain Laisiasa Gonewai
Master Mariner Class 2 FG COC (NZ)
Acting Chief Operating Officer

Captain Laisiasa Gonewai was appointed as the Senior Pilot in 2014 and has also been the Harbour Master for the Port of Suva since 2014. Captain Gonewai was the Chief Pilot in 2018 and has been Acting Chief Operating Officer since February 2017.

His qualifications include: Gazetted Marine Surveyor (MSAF); Certificate of Competency for Class 1 Mates and Class 2 Masters, FC COC (NZ Maritime College), and Certified Marine Deck Examiner. Gazetted Compass Adjustor, IMOG Executive member, RINA member, NZMPA member, PIMPA and has more than 25 years' experience in the domestic and international maritime industry.

02 Operations Summary

Obligations

FPCL continues to work towards meeting expectations as an implementation body for standards relating to other local ports of entry in Fiji. It remains vital to assist trade facilitation in a sustainable manner through Ports in Fiji while optimising returns.

LAW

The principal legislation under which FPCL is governed is the Sea Ports Management Act 2005. However, as a partially Government-owned Commercial Company, Fiji Ports also has broad responsibilities under the Public Enterprises Act 1996. FPCL's objectives and responsibilities under the Sea Ports Management Act 2005 are as follows:

To effectively manage sea ports in Fiji:

- To create or enhance opportunities in the provision of port services.
- To manage operation and regulatory responsibilities.

BUSINESS

FPCL is the Port Management Company in Fiji and also plays a regulatory role. FPCL maintains ownership and operation of Levuka Wharf, Ovalau, and oversees the operations and ISPS requirements for the following ports: - Malau Wharf Labasa, Vanua Levu (owned by Fiji Sugar Corporation);- Rotuma Port, Rotuma (owned by Rotuma Council); - Wairiki Wharf, Nabouwalu, Vanua Levu (owned by Tropic Woods Industries Limited) and - Vuda, Viti Levu (owned by oil companies). FPCL continues to oversee and operate port facilities located at Mua-i-Walu I and II, Walu Bay, Suva, and Local Wharf at Lautoka, through the provision of ports infrastructure and related services to ensure industry safety and security, and maintains its Head Office located at Muaiwalu House, Walu Bay, Suva.

PARTNERSHIPS

FPCL works with Maritime Safety Authority of Fiji (MSAF) with respect to Fiji Ports' obligations for the implementation of conventions under the International Maritime Organisation (IMO) including Ports State Control, ILO/ IMO requirements for port reception facilities (discharge of sewerage and rubbish) and Code of Practice on Security in Ports. Addressing issues under the heavily regulated Global Cruise Industry is a continuing responsibility for FPCL, given the number of cruise ships in our ports continues to increase each year. In line with other countries that have cruise ships, FPCL has effectively implemented measures to ensure compliance with relevant laws, regulations and international treaties. The cruise industry is also subject to the International Ship and Port Facility Security Code (ISPS Code), which requires that access to ships and port facilities be tightly controlled.

CORPORATE

FPCL Board, Management and senior staff are committed to:

- Adopting, leading, planning principles and management systems;
- Working collaboratively to ensure safe and secure port environments;
- Providing appropriate technologically advanced infrastructure, and
- Adhering to FPCL's Corporate Values at all times.

COMMUNITY & ENVIRONMENT

As FPCL diligently carries out its corporate obligations, the Company strives to maintain its commitment towards the community through its social activities, with direct and indirect benefit to the broader community. Equally important as other issues, the Company takes environment protection seriously. Frequently, Management and staff create stakeholder awareness regarding land and sea pollution as part of their daily activities and duties. The growth of the mining industry in Fiji has bought new responsibilities. Carrying solid bulk cargoes involves considerable risks, which must be managed carefully to safeguard the Port, ship's crew and the vessels. Fiji Ports is assisting with these risks: reduced ship stability, and even capsising, due to cargo liquefaction, fire or explosion due to chemical hazard, and damage to ship structures due to poor loading procedures.

Organizational Structure & Strategy Execution at FPCL

CEO	Governance
Executive Management	
Company/Board Secretary	
Legal Unit	
CEO	Risk & Compliance Unit

CFO	Financial
Finance Department - Suva	
Finance Department - Lautoka	
Procurement Unit	

CI&PO	Planning & Infrastructure
Port Engineering Department	
Maintenance Unit	
Assets & Facilities Management Unit	
Projects Unit	
Planning & Strategy Implementation Unit	

COO	Sustainability & Environment
Environment Management Unit	
Energy Management Unit	

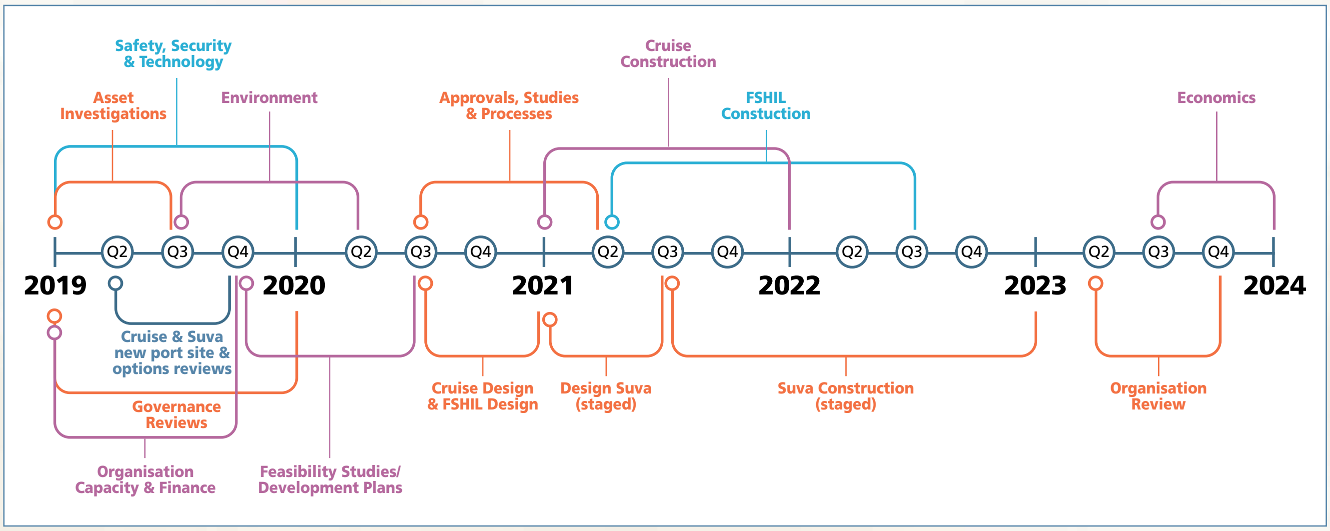
COO	Port Operations
Harbour Masters Office/Ports Admin Suva	
Harbour Masters Office/Ports Admin Lautoka	
Local Wharf Office - Suva	
Local Wharf Office - Lautoka	
Levuka Office	
Enforcement Unit	

CEO	Organisation
Human Capital Services Department	
Talent Development and Training Unit	
Human Resources Business Analyst Unit	
Marketing & Communications Unit	
MHCS	OHS Unit
	Quality Assurance Unit

CFO	Technology
ICT Department	
MICT	Business Information Unit

CEO	Port Security
Port Security - Suva	
Port Security - Lautoka	

5 Year Strategic Plan - Programme Summary



Infrastructure

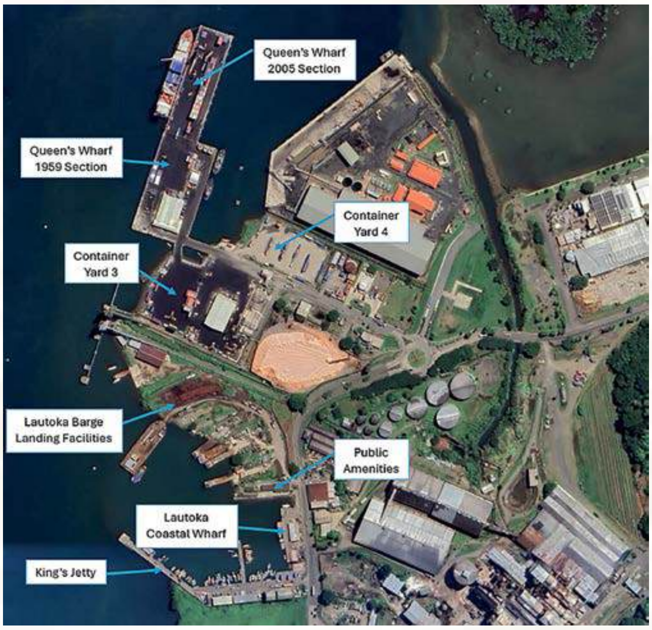
Fiji Ports Corporation Pte Limited (FPCL) remains committed to investing in the infrastructure of Ports aligning with our five-Year Strategic Plan. The organisation has consistently made progress in executing its planned projects and conducting essential maintenance work such as: -

- Commencement of the Port of Lautoka Container Yard Four Project;
- Commencement of Lautoka Wharf Rehabilitation Project;
- Designing of new Muaiwalu II Interisland Passenger Terminal;
- Commencement of FSHIL Slipway Rehabilitation Project;
- Feasibility study for Lautoka Foreshore Development Project;
- Levuka Wharf Condition Assessment Project;
- Construction of FSHIL Slipway;
- Commencement of Lautoka Foreshore Development Feasibility Study Project;
- Commencement of Port of Suva Kings Wharf Southern Upgrade Project; and
- An update on the Suva Port Relocation Feasibility Study Project

Highlights of Key Projects

Port of Lautoka Yard Four Project

FPCL has embarked on a significant endeavour with the commencement of the construction phase for the Port of Lautoka Yard Four project in 2023. The initiation of this project signifies a proactive response to the evolving needs of the maritime industry and underscores FPCL' s dedication to infrastructure development and capacity enhancement. Additionally, the choice of an experienced contractor with a proven track record in similar yard and infrastructure projects in Fiji ensures confidence in the project's successful execution. As FPCL advances through each phase, the focus remains on enhancing the port's capacity and efficiency while maintaining the highest quality standards. With an expected completion date in the first quarter of 2025 FPCL remains focused on delivering the project on schedule thereby reinforcing our commitment to operational excellence and customer satisfaction.



Port of Lautoka Yard 3 & 4 Overview

Port of Lautoka Wharf Rehabilitation Project

Since the commencement of the Wharf Rehabilitation Project in October 2022 FPCL has achieved considerable progress. Engaging an experienced maritime construction company underscores FPCL' s commitment to quality repairs for the Lautoka Wharf 1959 and 2005 sections along with the Lautoka Local Wharf Rehabilitation. The project financed by FPCL, is strategically executed in stages to minimize operational disruptions. External engineering consultants oversee the construction process, supported by FPCL's Site Engineer, ensuring meticulous supervision and adherence to timelines.

While the target completion date is set for late October 2024, the project faces potential delays due to unforeseen structural deterioration necessitating additional remedial work. FPCL acknowledges the importance of ensuring the wharf's safe and enhanced condition and remains dedicated to achieving project completion.

Significant progress includes the introduction of Green Tech Shield (GTS), a sustainable corrosion protection device that reduces the project's carbon footprint by up to 50%. As the project nears the halfway mark, FPCL anticipates completion by the end of 2024, emphasizing its commitment to sustainable infrastructure development and operational excellence.

GTS Technology Installed

Lautoka Port Foreshore Development Stakeholder Consultation Workshop

New Muaiwalu II Inter - Island Passenger Terminal Project

The initial phase of the new Muaiwalu II Interisland Passenger Terminal, marked by the completion of the Feasibility Study in April 2022, underscores FPCL's commitment to modernizing inter-island travel and enhancing passenger experiences. Through extensive stakeholder consultation two solutions emerged to address congestion, increase waiting area capacity, and extend the wharf asset's lifespan. Following a successful Expression of Interest (EOI) phase, FPCL's Board approved the progression to the Detail Design Phase, highlighting responsiveness to consumer needs. Notably, the terminal aims for LEED certification, highlighting FPCL' s dedication to sustainability. With design completion anticipated by the end of the third quarter of 2024, FPCL remains steadfast in its pursuit of a modern, environmentally friendly and safety conscious terminal facility.

Port of Levuka Wharf Rehabilitation Project

FPCL embarked on the Levuka Wharf Rehabilitation Project, initiating a comprehensive study through the Projects & Assets Team to assess the Port of Levuka and determine the optimal project delivery method. A tender process ensued to enlist a reputable engineering consultant for the wharf's condition assessment which was crucial given the current age of the piles have surpassed one hundred years. FPCL accepted a proposal from a bidder suggesting carbonation and chloride ion testing to ascertain the feasibility of repairing the existing structure or constructing a new wharf. Management endorsed this approach and testing commenced at the outset of 2023.

Following a thorough assessment, including carbonation and chloride ion testing, FPCL is now collaborating with the Ministry of Education, Heritage, and Arts to seek guidance and explore funding options for a proposed new wharf in Levuka. This partnership highlights FPCL's commitment to responsible infrastructure management and sustainable development in alignment with national priorities.

Fiji Ships Slipway (1000T & 500T) Rehabilitation Project

The Slipway Rehabilitation Project has transitioned into its construction phase with the recent contract signing with a reputable contractor in December 2022 marking a pivotal milestone in FPCL' s infrastructure development efforts. Preparations were in progress for the contractor to mobilize on site in 2023, the project will address critical maintenance needs and enhance operational efficiency. Progress is evident particularly on the 1000tonne slipway, a key component of the project which holds the promise of expanding FPCL' s capabilities in vessel repair and servicing.

The ongoing Slipway Rehabilitation Project reflects FPCL's dedication to modernizing its facilities to meet the evolving needs of the maritime industry. Set for completion within eight months, this project will open new opportunities in the vessel repair market, enhancing FPCL's competitiveness and reinforcing its leadership in maritime infrastructure development in Fiji and beyond.

Lautoka Foreshore Development Project

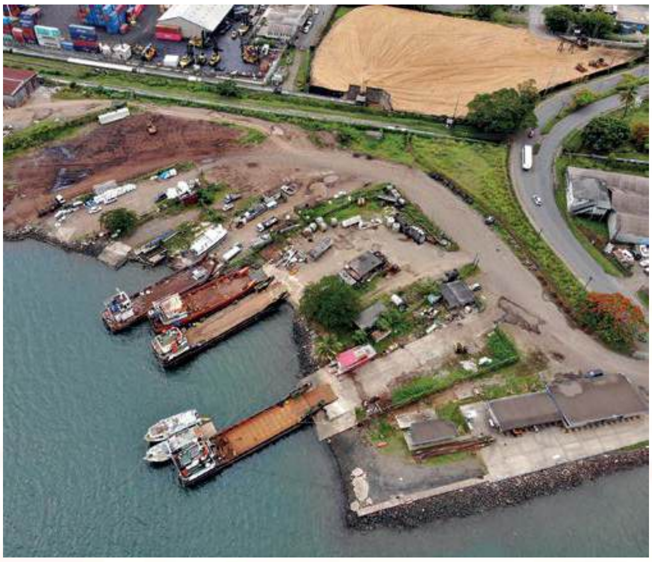
FPCL has made significant strides in the early stages of the Lautoka Foreshore Development Project by initiating a tender process to engage a reputable consultant for a comprehensive Feasibility Study. The study aims to assess the current use of the area and explore potential development opportunities to enhance FPCL's services. This project will thoroughly evaluate factors such as land use, zoning regulations, market conditions, infrastructure, and strategic objectives to identify the most viable development options that align with economic, social, and environmental considerations. The study will furnish several recommendations to assist FPCL to make well informed decisions regarding commercial, retail or tourism development within the area with invaluable insights guiding future land usage plans and maximizing the Lautoka Foreshore area's potential within the port boundary.

The Feasibility Study is currently approximately 75% complete, marking a pivotal step forward. Additionally, FPCL is embarking on developing the entire port strategy for Lautoka, a strategic initiative aimed at further enhancing port infrastructure and optimising operational efficiencies. As FPCL endeavors to actualize its vision for Lautoka's development, the insights gained from the ongoing study and future master planning efforts will play a pivotal role in shaping the port's operational efficiency and fostering sustainable growth and development in the region.

Port of Suva Kings Wharf Southern Upgrade Project

FPCL is pleased to announce the re-initiation of the Kings Wharf Southern Upgrade Project, a pivotal endeavor aimed at enhancing operational capabilities at the port. The project focuses on addressing restrictions pertaining to heavy equipment and the mobile harbor crane within the subject section. Upon completion of this rehabilitation effort, FPCL anticipates the removal of these restrictions, thereby optimising port operations and improving efficiency.

1000tonne Slipway Repairs



Foreshore Land Lautoka 2.5 ha

As part of the next phase of the project, FPCL will tender the detail design process to engage an experienced consultant. The selected consultant will be tasked with conducting a comprehensive detailed design, ensuring that all aspects of the upgrade align with industry standards and operational requirements. FPCL remains committed to the successful execution of the Kings Wharf Southern Upgrade Project underscoring its dedication to enhancing port infrastructure to facilitate seamless maritime operations.

An update on the Suva Port Relocation Feasibility Study Project

The Fiji Government requested the assistance of the Asian Development Bank to conduct a strategic review of Fiji's maritime sector and Suva Port in particular to identify a site for the relocation of Suva Port. Consideration of the new port site is to include full or partial relocation of the activities currently performed at the existing port, growth in trade volumes and new commodities consolidation of activities that are currently spread across several ports and the potential to grow Fiji's role as a hub for the wider South Pacific Islands community.

The project consultants conducted consultations with various stakeholders, including port users, the private sector, relevant Qoliqoli and landowners, government departments, and authorities (such as FPCL and the iTaukei Affairs Board Roko Tui's). These discussions were a crucial part of the technical assessment of the shortlisted sites, helping to inform the selection of the preferred location.

During the year project consultants were provided with the opportunity to gather specialist knowledge through consultations and workshops held in-house and with relevant authorities to select a preferred port relocation site and gauge risk assessments on port development at each of the short-listed sites. This informed potentially affected communities about the challenges to be addressed and the goals to be achieved during the more detailed project planning stage.

A key project stakeholder consultation workshop was held on 24 August 2023 in Suva, to detail the short-listing process and technical analyses and discuss the recommendations for a preferred site for the relocation of Suva Ports services. This served to identify a new site to relocate Suva Port's key operations, mitigating existing constraints and maximizing Fiji's potential for economic development over the next 30 years as well as prepare the groundwork for the next stage of detailed feasibility and procurement.

Following the workshop, the next step is to confirm a preferred site(s) and complete the final stage of the project in early 2024.

Assets & Facilities

The Assets and Facilities Department is responsible for managing all company's significant property assets related to FPCL's tenants, and wharves across Fiji's main three Ports of Suva, Lautoka and Levuka.

Port Facility Upgrades and Maintenance at Ports

FPCL commenced several important facility upgrades and maintenance projects in Suva, Lautoka and Levuka facilities. These ranged from building renovations, facility modernisation, electrical and other service upgrades. These initiatives were a timely project to ensure stakeholders and staff are provided with safe and modern facilities ensuring duty of care for both international and local customers.

Suva Port Relocation Study Project stakeholder consultation workshop held in Suva

Financial Performance

Achieving Success Through Strategic Financial Management

In 2023, Fiji Ports Corporation Pte Limited (FPCL) continue to build upon its momentum of implementing its strategic vision and focused on key infrastructure capital projects to complement its vision of becoming a Smart, Green Gateway for Trade in the Pacific by achieving exceptional results. With favorable economic conditions post-pandemic, FPCL progressed in its implementation of the 5 Year Strategic Plan centered around key capital projects, capacity building, process improvement, market share growth and sustainable smart port concepts.

With the increase in cost of doing business and inflation, FPCL looked to capitalise on strategic capacity building. While FPCL has implemented a Job Evaluation exercise the increased cost base required FPCL to achieve greater returns. While the tariff remained stagnant, it looked at outer port revenue for pilotage services and implemented various cost-saving initiatives to streamline operational costs and optimise efficiency. It also looked at prudently investing any surplus cash flow in term deposits and interest earning revenue. This assisted in cushioning the increasing cost structure particularly in the human resource and capital investment front. With the focus on capacity building at the port infrastructure sector, FPCL is positioned to increase efficiency and also capture growth, fostering trade and transport networks to across the Pacific region.

2023 saw major capital investment into wharf rehabilitation and cargo storage expansion plans being implemented. FPCL has strategic initiatives to combat port congestion and increase port efficiency and capacity. While there were planned increased capital expenditures, the future-proofing of FPCL was a sustained approach. Amongst the challenges, FPCL achieved 81% utilisation of the CAPEX budget portraying the commitment to execution of projects while effectively managing budgets. In recognition of these efforts FPCL received the Presidential award at the Fiji Business Excellence Awards which highlighted the balance between effective corporate governance while being the national gateway for trade.

During the 2023 financial year, FPCL consistently evaluated its financial and operational performance using the United Nations Port Performance Indicators. These internationally accredited metrics demonstrated FPCL's strong performance and resilience given the evolving challenges. The organisation remained committed to continuous improvement, aiming to exceed national, regional and global standards. With the ongoing focus on growth and sustained recovery, FPCL continued to excel in excellence within the maritime industry.

Performance for the Year Ended 2023

As tourism is a key driver for economic growth for 2023, and the company facilitated the record number of tourist arrivals demonstrating strong performance for the 2023 financial year with increased cruise liners being the key sector. The company achieved a Net Profit after Tax of $27.75m, a 7% or $1.7m increase compared to 2022. The profits for 2023 incorporate a tax credit adjustment of $2.3m resulting from the increase in the tax rate from 20% to 25% that came into effect in 2023 to adjust the deferred tax asset.

This profit was secured through the continued guidance and leadership of the executive management team, who strategically navigated the complexities of infrastructure constraints and capacity challenges. These were coupled with the ongoing global recession and inflationary pressures exacerbated by the conflicts in Ukraine and Russia, as well as in the middle East. Their strategic foresight and decisive actions were instrumental in overcoming these challenges and driving the company forward.

Return to Shareholders

The year 2023 marked a robust recovery of Fiji's tourism sector, with record visitor arrivals returning to pre pandemic levels that significantly propelled the country's economic growth in a positive direction. This resurgence has notably contributed to increased revenues for FPCL driven by heightened trade volumes and an increased arrival of cruise vessels. For the financial year 2023, FPCL's dividend payout to its shareholders increased by 7% which is directly related to the growth in the financial performance of the Company.

Description	Actuals ($000)			
	FY20	FY21	FY22	FY23
Net Profit after Tax	22,730	22,342	25,975	27,745
Dividend declared/ proposed	13,638	13,405	15,585	16,647

Key Challenges

The year 2023 marked a full recovery post pandemic, with trade volumes and the increased number of cruise vessels at the Port returning to pre pandemic trends. However, some challenges also emerged. The increased number of incoming vessels, including cruise ships, placed significant demand on the operational team to minimize port congestion and infrastructure issues, requiring effective management and planning to ensure timely berthing and vessel traffic management at the ports. To address these challenges, FPCL embarked on infrastructure rehabilitation projects in 2023 and initiated future projects aimed at enhancing port capacity and efficiency to meet the rising demands effectively.

Given the ongoing migration trends in Fiji, FPCL implemented critical staff retention measures, mainly including are implementing a job evaluation exercise (JEE). Recognising the value of retaining skilled and experienced personnel, FPCL prioritised creating a conducive work environment and offering competitive compensation packages. Additionally the company focused on professional development opportunities and employee engagement initiatives to foster loyalty and commitment among its workforce. These efforts aimed to maintain continuity in operations and uphold the company's standards of service excellence amidst industry challenges.

In addition to these challenges, FPCL also had the challenges of managing the impact of general cost increases across various operational aspects, striving to maintain cost-effectiveness and financial stability amidst fluctuating economic conditions. This was crucial for the company to sustain its profits, effectively manage cash flow and ensure the overall financial health of the organization. These increases in cost were cushioned by prudent financial management and investment of surplus funds into term deposits earning interest income.

Fiji Ships and Heavy Industries Limited (FSHIL), FPCL' s subsidiary, specialises in providing ship repair services to both international and local customers. FSHIL is experiencing significant challenges due to its aging infrastructure, leading to decreased revenue. A significant slipway rehabilitation project was initiated in 2022, with the project commencing in 2023. To address this issue a substantial slipway rehabilitation project commenced in 2023, following its initiation in 2022. The completion of this project in 2024 is expected to yield a substantial increase in income for future financial years.

Strategic Initiatives

In 2023, FPCL made significant progress through strategic initiatives aimed at enhancing capacity, efficiency and revenue generation. The following highlights FPCL's key achievements and outlines upcoming capital projects that will further strengthen FPCL's position in the Pacific region.

Strategic Investments and Future Projects

Wharf Rehabilitation Projects

Recognising the importance of maximising berth and storage capacity, FPCL has undertaken substantial investments in wharf rehabilitation. In 2023 FPCL advanced construction works at Lautoka Port, focusing on significant infrastructure improvements in the areas of container yard development.

For the Port of Suva, 2023 marked a shift in its rehabilitation methodology. Instead of merely rehabilitating existing infrastructure, FPCL has extended its approach to increasing the capacity of the wharf. In 2023, FPCL initiated the tender process for a consultant to prepare detailed designs for the rehabilitation of the Southern Kings Wharf section.

Port of Lautoka Foreshore Development Area

These efforts will significantly enhance infrastructure and increase port capacity, enabling FPCL to efficiently handle increase volumes of cargo. By improving its wharf facilities, FPCL will not only increase capacity but also optimise operations, and reducing turnaround times.

Container Yard Expansion at Lautoka Port

Following the successful completion of Yard 3 in 2022, FPCL has moved forward with the development of container Yard 4 at Lautoka Port in 2023. Recognising the continued growth in container storage demand this new project aims to further improve the storage capacity. In 2023, FPCL issued a tender for the construction of Yard 4, and after a thorough selection process, appointed a contractor to execute the project which is now progressing well.

The development of Yard 4 will commence in early 2024, and it is designed to significantly enhance FPCL's container storage capabilities. This critical and strategic expansion is part of FPCL's broader initiative to optimise port operations, ensuring the ability to handle increasing volumes of containers with greater efficiency. By adding Yard Four, FPCL aims to streamline operations, reduce congestion, and maintain a seamless cargo flow throughout the port.

Dredging Initiatives

In 2023, FPCL made significant progress in its dredging initiatives to support its commitment to enhancing port infrastructure and operational efficiency. For the Port of Suva, FPCL engaged a contractor to commence and progress dredging works, aimed at deepening the port to accommodate larger vessels and improve navigation safety.

Similarly, recognising the need for dredging at the Port of Lautoka, FPCL issued a tender in 2023 and successfully awarded the contract to a qualified contractor. The dredging works at Lautoka are scheduled to begin in 2024. This project will enhance the port's capacity and operational efficiency ensuring it can meet future demands and facilitate smoother and more efficient cargo handling operations.

These dredging works are crucial for maintaining and accommodating larger vessels, enabling FPCL to handle increased cargo volumes and larger ships thus reinforcing its position as a gateway for trade in the pacific.

Upcoming Capital Projects

FPCL remains committed to strategic investments, with several major capital projects on the horizon to further strengthen our infrastructure and capabilities. Key projects planned for 2024 include:

Construction of an Inter-Island Terminal Facility at Muaiwalu II: This new terminal will enhance connectivity between islands, providing modern facilities to support increased passenger and cargo traffic and improving overall service efficiency.

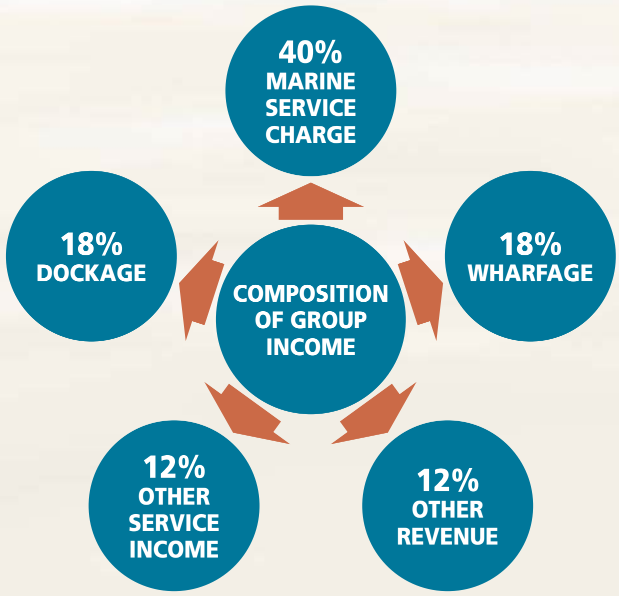
Purchase of a New Pilot Boat: To modernise the fleet and ensure the highest standards of safety and efficiency in port operations, FPCL is investing in a modern and efficient pilot boat. This acquisition will support the pilotage function, enhancing operational reliability.

Rehabilitation of Muaiwalu I and II Wharves: With a focus on boosting local inter-island connectivity and supporting the fishing industry, the rehabilitation of these wharves will enhance its structural integrity and operational capacity ensuring they meet the demands of increased fishing vessel numbers.

These upcoming projects underscore FPCL's commitment to continuous improvement in positioning itself as a smart green gateway for trade in the Pacific. By investing in advanced infrastructure and modernising our facilities, FPCL aims to meet future demands, enhance operational efficiency and provide superior service to its customers.

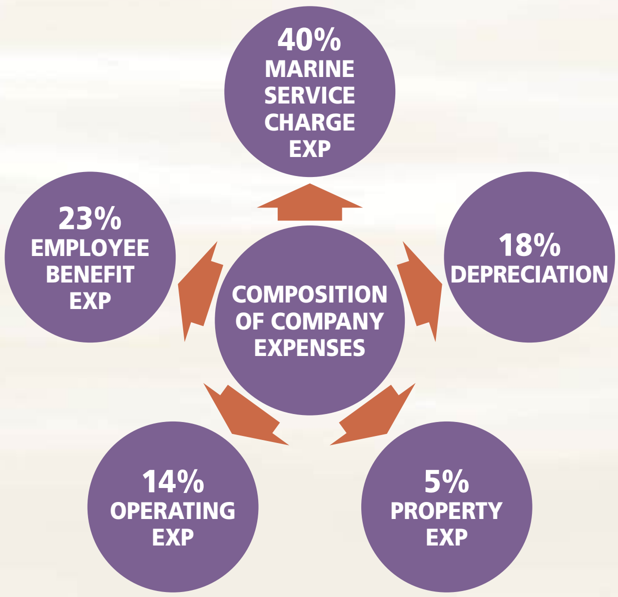
Revenue

The Company's operating revenue had increased by 9% when compared to 2022, reflecting a return to pre pandemic trends. The ongoing revival of the tourism sector played a significant role in bolstering economic performance. Additionally, the global trade recovery led to higher vessel numbers and the resumption of cruise liner visits resulting in revenues consistent with pre-pandemic levels. However, there was a 1% decrease noted for other revenue which was attributed to decreased dividend income from associates (FPTL) aligning with pre pandemic levels. There was a decrease noted in other income mainly due to lower interest income where interest rates offered by commercial banks were materially lower when compared to prior years due to higher liquidity in the financial market.



Expenses

The expenditure of the Company mainly comprised of marine service charges, employee expenses, depreciation, operating expenses and property expenses. There was a 13% increase in total expenses when compared to 2022. The major areas of increase were noted in employee expenses, depreciation, operating expenses and marine service charges. The increase in depreciation was attributed to the capitalisation of new asset improvements leading to higher depreciation. There were increases noted in marine service charge expenses by 17% which was due to higher vessel numbers and GRT when compared to 2022. In 2023, the increase in cruise vessel arrivals further contributed to higher marine service income. Also employee expenses increased by 29% in 2023 when compared to 2022, due to implementation of the Job Evaluation Exercise in 2023. This implementation aimed to maintain the workforce across our facilities, supporting the implementation of the five year strategic plan that FPCL embarked upon together ensuring 100% operational capacity. The property expenses decreased by 22%, attributed to a reduction in the number of repair and maintenance programs being implemented in 2023 compared to 2022. There was a 7% increase noted in operating expenditure in financial year 2023 compared to 2022, aligning with pre pandemic trends. This increase is attributed to the gradual return to normal operations and the costs associated with expanding activities previously limited during the pandemic, aimed at enhancing operational efficiency and service delivery, thus contributing to the higher operating expenses.

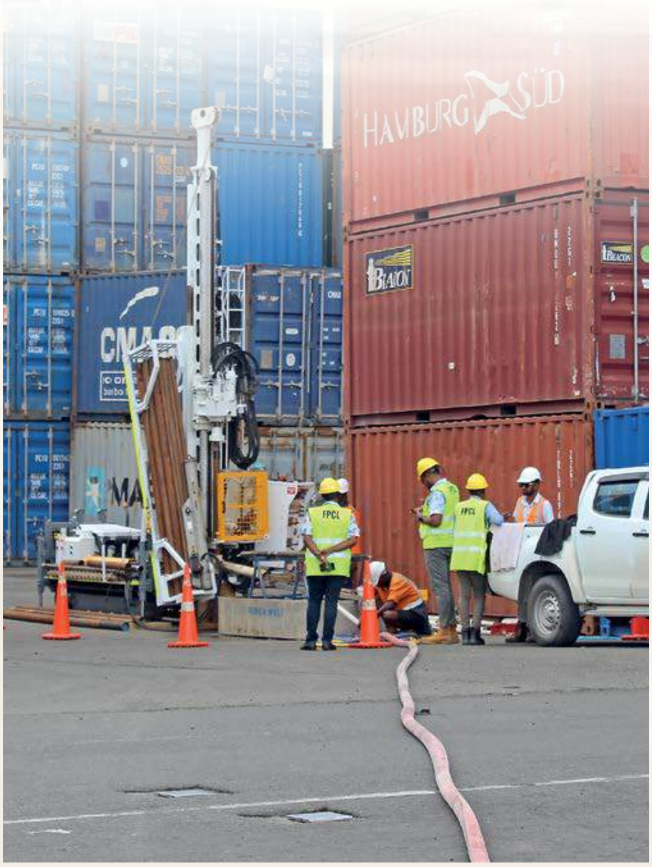


Financial Results of the Group

At the back of a positive result by the Company, the Group achieved a group Net Profit After Tax (NPAT) of $27.84m for the financial year 2023, representing a 3% increase from 2022. In 2022, there was a notable economic rebound with the revitalisation of the tourism sector following the pandemic. In 2023, trends stabilised, returning to pre pandemic levels. Despite the economic challenges, the Group managed to sustain a 3% growth compared to 2022. A major contributing factor to this growth was a $2.3m tax adjustment for the 2023 financial year, resulting from the realignment of the deferred tax asset balance due to a corporate tax rate change from 20% to 25%.

While economic recovery initially led to higher profits from associates in 2022, these profits normalised to pre pandemic levels by 2023 resulting in a 14% decline compared to 2022.

Despite this FSHIL achieved a marginal Net Profit after tax of $128,000.00 indicating a significant increase compared to 2022. FSHIL was experiencing significant challenges due to its aging infrastructure resulting in reduced revenue for 2022. Subsequently, a significant slipway rehabilitation project was initiated in 2022 and continued implementation in 2023. The expected completion of this project in 2024 is anticipated to generate a significant increase in income in the upcoming financial years.

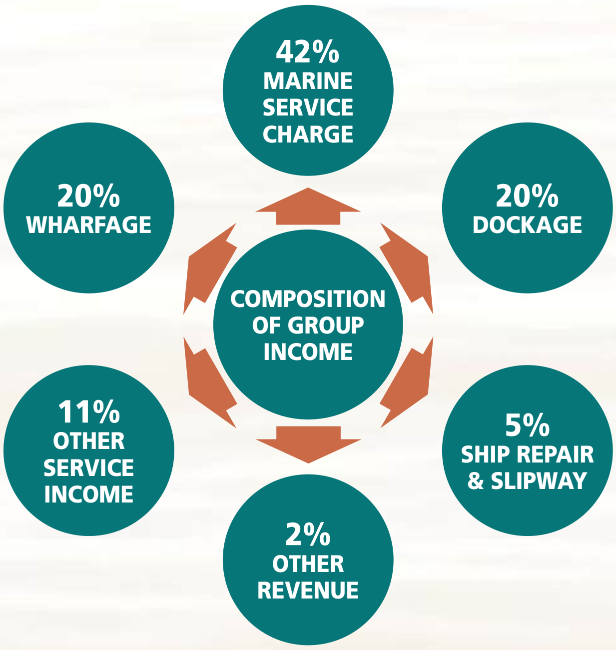


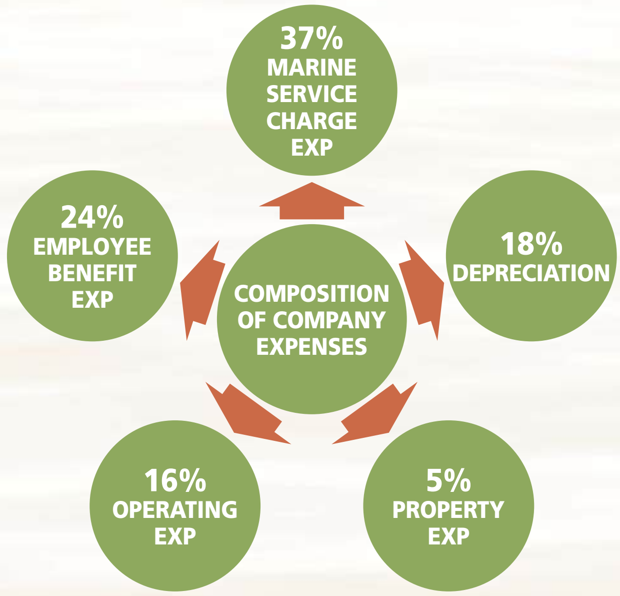
Contractors carrying out geotechnical assessment at Port of Suva

Group Revenues & Expenses

The Group's operating revenue showed an increase of 11% over 2022. There was an increase noted in major revenue streams including dockage and marine service charges. There were high vessel arrival numbers including cruise liner vessels and an increase in vessels turn around at various ports. Vessels calling at outer ports increased as well increasing pilotage income. 2023 saw an increase in cruise vessel arrivals and this contributed to higher marine service income with higher GRT received. There was a decrease in interest on term deposits with lower rates on offer with higher liquidity in the financial market. Fiji Ships and Heavy Industries Limited contributed with an increase in ship repair and slipway revenue by 30% when compared to 2022. Compared to 2022, FSHIL was able to generate increased revenues from regional pacific island vessels and fishing vessels docking for repairs, repainting and engineering works despite infrastructure challenges.

The areas of increase were noted in marine service charges by 17% which was due to a higher vessel number and GRT when compared to 2022. Additionally, there was an increase in cruise liner visits during 2023 increasing the GRT. The employee expenses also increased by 28% in 2023 when compared to 2022 mainly due to the implementation of the Job Evaluation Exercise in 2023. This implementation aimed to maintain the workforce across our facilities which supported the implementation of the five year strategic plan. Additionally, the implementation of Job Evaluation was aimed to combat the recent increase in migration numbers experienced across all sectors. The property expenses decreased by 20%, attributed to a reduction in the number of repair and maintenance programs being implemented in 2023 compared to 2022. The major areas of increase were noted in depreciation and operating expenses which were attributed to the capitalisation of new asset improvements.





Net Finance (interest) income has significantly decreased by 34% when compared to 2022 due to lower interest rates offered on investments for the year 2023 due to increased liquidity with commercial banks.

The share of profits from our associate company, FPTL, decreased by 14% in the financial year when compared to 2022. This decline is attributed is attributed to lower container throughput in 2023. While 2022 had marked significant economic recovery and revival of the Tourism sector post pandemic, 2023 has seen trends normalising.

The Group's total expenditure increased by 14% compared to the 2022 financial year. This is mainly correlated to a 9% increase in operational revenue for FPCL (Holding Company) together with a 24% increase in operational revenue for the subsidiary company with the correlated expense increase by FSHIL, compared to 2022. FSHIL's slipway rehabilitation project commenced in 2023 and is scheduled for completion in 2024 forecasting substantial increases in income and corresponding expenses in upcoming financial years.

Capital Expenditure

FPCL continues to advance its vision of becoming the Smart Green Gateway of the Pacific. Central to this ambition is the successful execution of our comprehensive five-year Strategic Plan. FPCL has developed robust strategies to ensure the smooth progression of essential capital projects throughout 2023.

A significant portion of its capital expenditure has been directed towards the rehabilitation of wharves and the expansion of container yards, highlighting its dedication to modernizing and enhancing its infrastructure. Additionally, FPCL have made considerable investments into information and communication technology (ICT) and various port operations. These efforts reflect FPCL's commitment to adopting modern technologies to boost efficiency and operational excellence.

Group Profit & Loss Summary for 2023 and 2022

Group Income Category	2023	2022	%
	$(000's)	$(000's)	Change
Operating Income	62,671	56,228	11%
Other Income	1,570	1,748	(10%)
TOTAL INCOME	**64,241**	**57,976**	**11%**
Operating Expense	(31,649)	(27,275)	16%
EBITDA	**32,592**	**30,701**	**6%**
Depreciation	(7,071)	(6,656)	6%
EBIT(Loss)/Profit	**25,521**	**24,044**	**6%**
Net Interest	781	1,186	(34%)
Share of profit in associate	5,835	6,812	(14%)
Net Profit Before Tax (NPBT)	**32,137**	**32,043**	**0.29%**
Income Tax	(4,299)	(4,983)	(14%)
NPAT	**27,838**	**27,060**	**3%**

Balance Sheet Extract (Consolidated 2023 - 2022)

Accounts	2023	2022
	($000's)	($000's)
Cash at Bank	40,498	40,493
Trade and other Receivables (current and non-current)	11,180	7,215
Financial assets	60,000	60,000
Fixed Assets	61,329	53,556
Total Assets	203,977	188,748
Trade Creditors	8,810	6,207
Total Liabilities	22,977	20,001
Shared Capital	73,155	73,155
Retained Earnings	107,845	95,592

Groups Financial Position

The Balance Sheet for FPCL Group remained strong with sound cash and cash equivalents (including Interest-bearing deposits) of $40.5m with zero external borrowing. This was after a proposed dividend payment of $15.6m to shareholders.

The Group has maintained a strong financial position with a total increase in assets of $15.2m which is attributable to increased fixed assets and cash balance. This positions the group for significant returns as extensive capital expenditure programs were implemented. With no major debt holding total liabilities have increased by $2.9m when compared to 2022 which is due to an increase in lease liability and increased trade payables with major capital projects gaining traction.

Group Key Performance Indicator

Based on the performance indicators the group has 39.73% operating profitability. This reflects the Group's margin for EBIT demonstrating a stable operating profitability when compared to 2022. This performance indicates the group's strong operational management and strategic investment decisions, even in the face of rising economic volatility and global tensions. Despite these economic pressures the Group has maintained its profitability demonstrating resilience and efficiency in its operations. The Group has a 38.05% net profitability on its capital invested reflecting the company's efficiency in allocating capital under its control to profitable investments.

The Group also has recorded a 15.38% return on equity showing the profitability of the group in relation to shareholders' equity. The Group also maintained a strong liquidity ratio of 9.1:1 in 2023.

Group Key Performance Indicators

Ratio	2023	2022	2021
EBIT/Total Income	39.73%	41.47%	39.33%
Return on Invested Capital	38.05%	36.99%	31.12%
Return on Equity	15.38%	16.04%	14.68%
Current Liquidity Ratio	9.1	12.3	16

Organizational Capacity

Our Employees

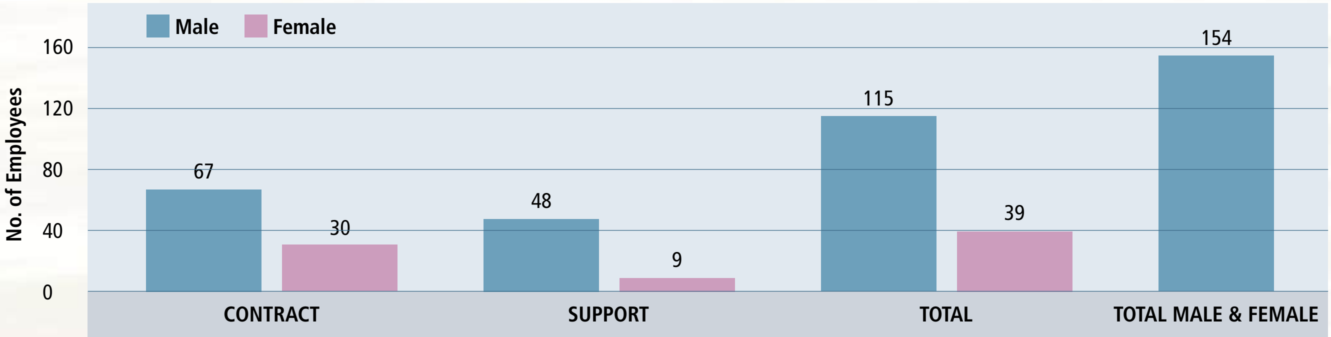
Our employees are the most important resource for the organisation. FPCL ensures that employees' diversity, health and safety, workplace conditions, personal development, work-life balance and remuneration are taken care of in order to maintain a happy, motivated workforce. At FPCL, every individual is important, and we recognize the contributions and efforts of our diverse workforce in working alongside as one towards a common goal. As like in previous years and in 2023, FPCL continued to put a concerted effort into building our team, developing our people, giving opportunities to reach their potential, and creating a clear strategic workforce plan for moving FPCL forward.

The financial year 2023 ended with a total number of 154 staff – 97 on contracts and 57 support staff. Staffing level was maintained, and a few new positions was introduced to cater for the staff strength and competencies required to progress further with FPCL's 5-Year Strategic Plan. In addition, staff with higher capabilities were performing dual roles as a way to further improve employee competency and interest to diversify individual skill sets.

FPCL Employee by Contract and Gender Distribution

FPCL noted a 4% increase in workforce from 2022 to 2023 due to new positions created and filled during the year.

Number of FPCL Employees by Contract & Gender Distribution (2023)

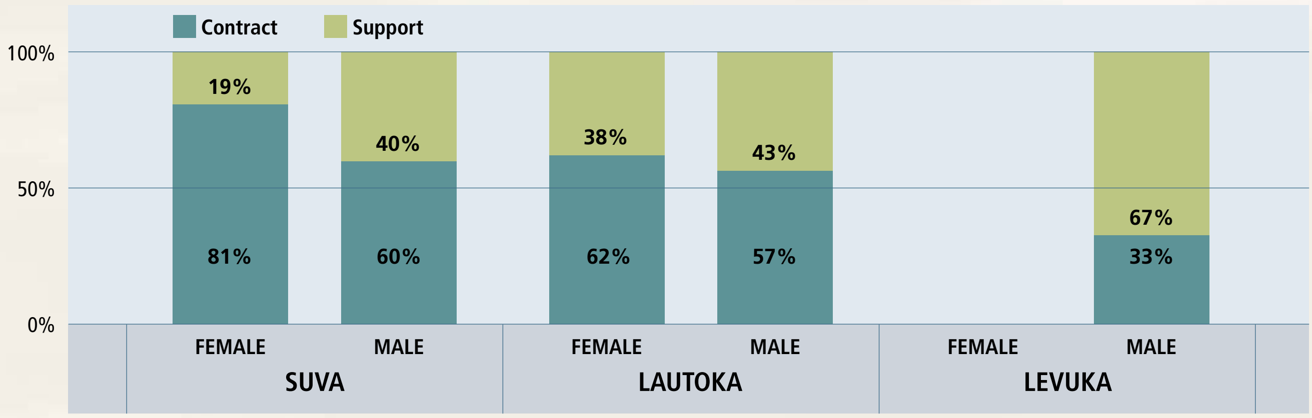


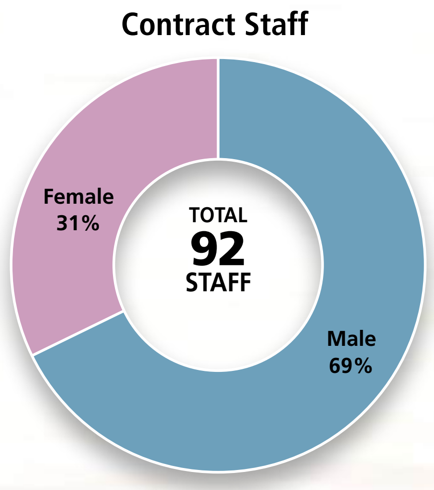
Gender Equity

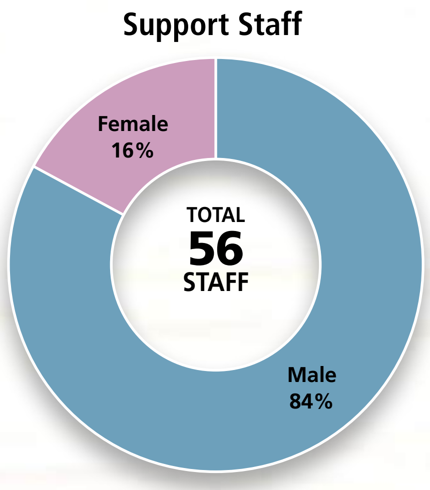
FPCL continues to support Equal Employment Opportunities by providing relevant trainings, seminars, and appointment of suitable qualified females on positions previously and traditionally held by males.

1. First female Site Engineer in the Project Management Unit.
2. Manager Planning & Strategy Implementation presented on some of the green and smart port initiatives implemented in FPCL at the 7th Green Ports Conference in Singapore.
3. Manager Legal & Company Secretary together with Manager Projects participated in the US Trade & Development Agency Pacific Ports Port leaders trade mission, where they also had the opportunity to visit some of ports and acquire knowledge on port operations and smart port technologies.

Workforce Availability by Contract Type / Location / Gender (2023)







2022 Bonus Payout

Over the years, FPCL has been utilizing an innovative Performance Management System (PMS) in determining bonus payouts which was implemented in 2019. The Performance Management Framework was further strengthened using a value-based approach to determine the contribution made by employees into five areas that is Shareholder Value Creation, Internal Value Creation, External Value Creation, Public and Stakeholder Value Creation and Work-Life Balance.

The PMS exercise is led by the HR Business Analyst Unit with the assistance provided by an external HR Consultant. The HR consultant reviews the performance evaluation process and mediates the entire performance management exercise ensuring the transparency of the process. During this process, staff's performance and their eligibility for bonus is assessed and determined. A total sum of $233,036.08 was shared amongst 131 contract and support staff as bonus and reward for their performance in 2022. The bonus payout is a way of FPCL recognizing staff's hard work throughout the year.

Board of Directors, Management and Staff of FPCL and FPTL with the Chief Guest, Honorable Prime Minister during the 2023 Dividend Presentation and Bonus Payout

Key Human Capital Services (HCS) Initiatives

HCS Process Review and Digitalization Project

The HCS Processes Review project, initiated in Q1 2023, aimed to streamline core processes within the HCS and Training unit by digitalizing through the Employee Service System (ESS), with a focus on optimizing efficiency and exploring ways to enhancement in both ESS and PayGlobal systems.

The successful execution will reduce administrative burdens, increase employee satisfaction, and improve data integrity and compliance adherence. The project also aims to empower employees with user-friendly HR and payroll interfaces and ensure data integrity through automated workflows and standardized processes.

Formulation and Enactment of Detailed Job Descriptions

The Detailed Job Description Development project, commenced in 2022 and completed in 2023, aimed to enhance organizational efficiency and job alignment by defining and documenting job responsibilities. It involved duty deconstruction, analysis, and strategic allocation of resources like PPE, ICT, and compensation packages.

The project aimed to foster a culture of fairness by aligning compensation packages with job requirements and market standards. The project resulted in comprehensive job descriptions, resource optimization, and enhanced transparency and fairness. The project's implementation improved workplace safety, efficiency, productivity, employee satisfaction, engagement, and retention, enhancing role connectivity to operational requirements.

Implementation of the Job Evaluation Exercise

The Job Evaluation Exercise was completed in Q3 2023, aiming to assess and benchmark the value of roles within an organization against market standards. The project used robust evaluation methodologies to establish a comprehensive framework for determining the relative worth of each role, promoting fairness and transparency in compensation practices. High detailed job descriptions and a standardized evaluation framework were developed to align remuneration with each position's inherent requirements and responsibilities. Active participation and communication throughout the evaluation process engaged employees, fostering a sense of ownership and trust.

Key achievements included establishing a robust evaluation framework, enhancing employee satisfaction and retention, and enhancing organizational alignment. The impact of the Job Evaluation Exercise has profoundly impacted compensation practices, talent management decisions, and overall performance by aligning roles and responsibilities with organizational goals.

Flexible Working Hours

FPCL has implemented a Flexible Working and Alternate Work Arrangement policy in 2023, allowing employees to work from home for one day per week or as needed. This policy aims to create a modern, adaptable work environment that prioritizes employee well-being and flexibility. It allows staff to structure their workdays according to their individual needs and responsibilities, enhancing work-life balance and promoting productivity and employee satisfaction.

Gala Night & Staff Appreciation Certificates

The 2023 Annual Gala featured the inaugural staff recognition certificates presentation, a highlight of the evening's festivities. The event aimed to express appreciation to the entire FPCL team for their contributions throughout the year. The ceremony honored 154 staff members for their dedication and hard work, which contributed to the successful completion of major projects and the company's accolades in 2023.

The ceremony emphasized the importance of acknowledging the efforts and achievements of all staff members, reinforcing the company's ethos of valuing and recognizing employee contributions. This event reaffirmed the organization's commitment to fostering a culture of appreciation and recognition within the workplace.

Recognition of Long Serving Staff

The 2023 Annual Gala honored FPCL's workforce with a special award honoring employees who have been with the company for 10 or 15 years. During this occasion, 23 esteemed employees were celebrated for their 15 years of dedicated service to FPCL, while 17 employees were honored for their decade-long commitment to the organization. The event emphasized the importance of their unwavering service and contributions to the company's growth and business success.

Staff receiving long service certificate at FPCL's Gala Night

Attachment for Secondary School Students

In line with FPCL's commitment to fostering educational advancement and industry relevance, the company launched an innovative program aimed at bridging the gap between high school learning and real-world industry experience. The initiative, launched in the last quarter of 2023, provides students with practical exposure to the education system and equips them with valuable skills for their future careers.

The program, which involved a Year 11 student from Marist Brothers High School, whose academic interests lie in Maritime Law and Governance. The program not only benefits the student but also raises awareness among secondary schools about FPCL's status as an employer of choice for future graduates. This initiative demonstrates FPCL's commitment to nurturing talent and fostering a strong connection between education and industry, contributing to the development of a skilled workforce for future success.

Team Building

In first quarter of 2023, HCS Department organized a team-building event at the Uprising Beach Resort in Sigatoka. The event brought together employees from various ports, Suva, Lautoka, and Levuka, fostering camaraderie and collaboration. Grouped into four teams, staffs participated in activities like tug of war and beach volleyball. The program also included water safety training, led by a seasoned Port Pilot, which enhanced employee awareness of water safety protocols and practical application of skills in the maritime industry. This event exemplified FPCL's commitment to fostering a cohesive and safety-conscious workforce and a supportive work environment, where employees would thrive both personally and professionally.

Business House Competition Participation

FPCL's participation in Mixed Netball and Futsal events at the Business House Competition underscores the company's commitment to promoting employee wellness and fostering a vibrant corporate culture. This activity promotes team building, networking, and physical fitness, while also fostering camaraderie among colleagues and facilitating professional growth through interactions with professionals from various industries.

Family Fun Day

In third quarter of 2023, FPCL's Social Committee and HCS Department organized a Family Fun Day at Gospel High School Ground to foster strong bonds and create memorable experiences for staff and families. This event was designed as an enjoyable outing for FPCL staff members and their families, aiming to foster strong bonds and create memorable experiences beyond the workplace. The event exemplified FPCL's commitment to nurturing a supportive and inclusive corporate culture that values work-life balance and family-oriented activities.

Staff and their families during Family Fun Day

FHRI Awards – Excellence in Learning and Development and Occupational Health and Safety

FPCL for the first time participated in the Fiji Human Resources Institute Excellence Awards by submitting entries for the categories of "Excellence in Learning & Development" and "Excellence in Health & Safety".

After meticulous preparation and thorough evaluation, FPCL's submissions stood out among the competition, earning the esteemed Gold Awards in both categories. This dual win exemplifies FPCL's unwavering dedication to excellence but also highlights our proactive approach towards ensuring the highest standards of learning, development, and safety within our organization.

FPCL's HCS Team at the FHRI Annual Convention

Automation of Training Needs Analysis

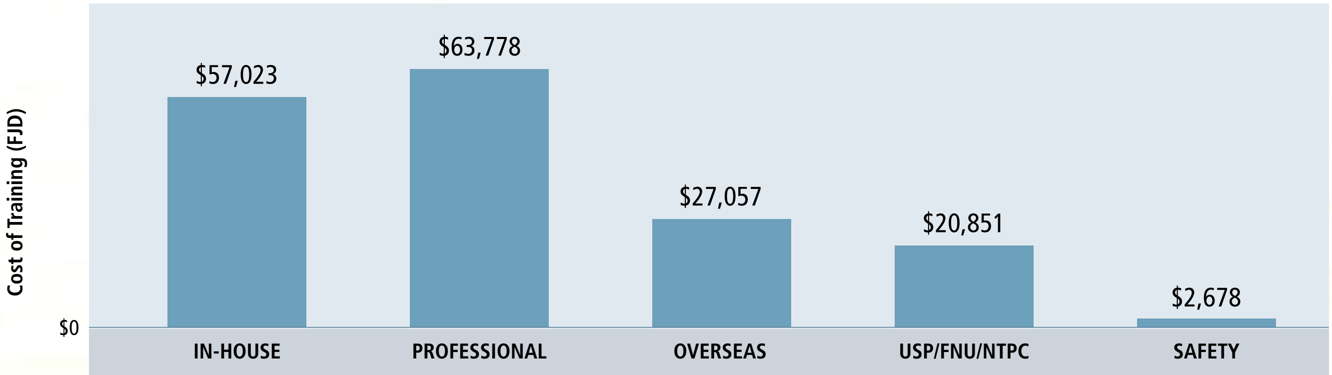
Training Needs Analysis (TNA) is a crucial process in identifying skill gaps and determining the training requirements within an organization. Traditionally, TNA has been a time-consuming and resource-intensive task. However, with the advent of technology, particularly mobile applications, the Training and Talent Development Unit completed the TNA process for 2024 using mobile application.

Mobile application provided more flexibility for staff to participate in the TNA process at their convenience. The response rate was 95% and more accuracy with insights into training needs of different departments and units. This also reduced the need for physical resources such as paper surveys and manual data entry. This not only saves cost but contributes to the organization's sustainability goals.

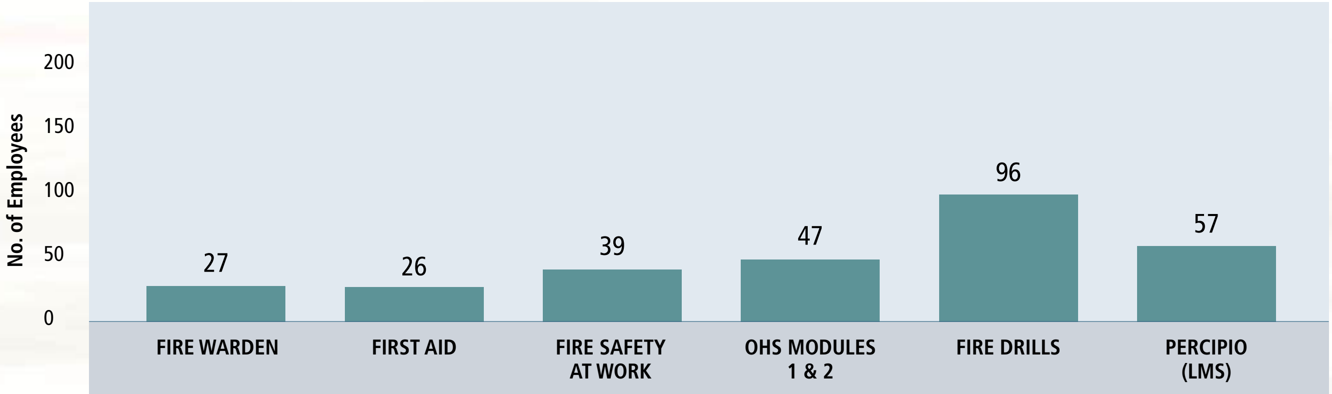
Talent Development and Training Unit

The Talent Development and Training Unit provide opportunities for employees to expand their knowledge, skills and other capabilities to uplift their skills and abilities to be further effective in a working environment. The Training Plan for 2023 focused on the ongoing education for all workers. Staff were recommended and referred to trainings, workshops, seminars and webinars that will expand their knowledge in their field of work.

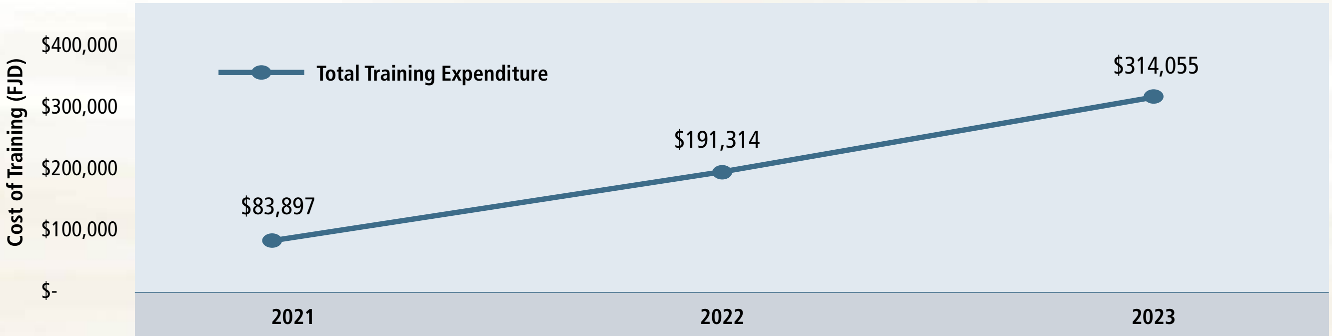
Training Expenditure (2023)



Training Attendence (2023)



Training Expenditure (2021, 2022 & 2023)



Management/Supervisor Development Training (2023)

Number of courses	64
Total Training Hours	450.5
Total number of employees attended training	81

Awareness Programs by the Training Unit

Diversity and Inclusion

Diversity and Inclusion is a pivotal aspect of organizational culture, shaping the way businesses operate and interact in the global landscape. Moving beyond buzzword, FPCL initiated a workshop for Department Heads, Supervisors and Coordinators in an effort to cultivate a sense of belonging among FPCL. The program was facilitated by University of the South Pacific.

Financial Literacy

Empowering FPCL staff with knowledge and skills to navigate their finances and make informed and effective decisions. As growing concerns where financial landscapes are getting complex and evolving, the Unit organized an awareness session in May 2023 with the objective for personal and economic wellbeing. This aligns with the corporate value in employee wellbeing. The awareness was facilitated by BSP Life

Learning Management

Training and Talent Development Unit conducts an awareness for departments and staff serving as a catalyst in staff engagement, course assignments updates and content curation. Awareness is conducted on a virtual and face to face sessions with Heads of Department as well. It was conducted in July, August and November 2023.

Boat Master license training

Diversity and Inclusion training

Marketing & Communications

The Marketing and Communications Unit at FPCL serves as the vital link between the organization and its stakeholders, both internal and external. This Unit plays a crucial role in establishing and maintaining open lines of communication with various stakeholders, fostering positive relationships and building a strong reputation for FPCL.

One of the key responsibilities of the Marketing and Communications Unit is to develop and implement strategies and marketing plans aimed at enhancing the image of FPCL. These initiatives are designed to showcase the organization's strengths, highlight its achievements, and promote its services and offerings to the target audience.

By effectively managing the organization's communication channels, the Unit ensures that accurate and timely information is disseminated to stakeholders. This includes providing updates on key developments, addressing queries and concerns, and promoting transparency in FPCL's operations.

Additionally, the Marketing and Communications Unit works towards sustaining and strengthening confidence in FPCL among its customers and the public. By fostering a positive image and projecting FPCL as a reliable and trustworthy organization, the unit helps build trust and credibility, which are crucial for long-term relationships with stakeholders.

Through proactive engagement with the media, industry partners, and other relevant stakeholders, the Marketing and Communications Unit strives to create a favourable perception of FPCL. This entails managing public relations, organizing events, and leveraging various communication channels to convey FPCL's message effectively.

Further, the Marketing and Communications Unit plays a pivotal role in promoting the organization's brand, maintaining open communication, and cultivating a positive reputation that inspires confidence and trust among stakeholders.

Event Highlights

Fiji Ports Wins Prestigious President's Award

The Fiji Business Excellence Awards (FBEA) is a prestigious recognition program in Fiji that celebrates and promotes excellence in business practices across various sectors of the Fijian economy. This year, Fiji Ports was the recipient of the President's Award which is the most prestigious award at the event. Apart from the President's Award, Fiji Ports also received the Green Sustainability Award for the green port initiatives.

Fiji Ports has advanced significantly along this path of excellence, having started our pursuit of business excellence journey in 2012. The steadfast dedication of our staff, the confidence of our stakeholders, and the support of our customers would not have made this accomplishment possible.

The FBEA, held annually celebrates outstanding businesses that consistently deliver exceptional services and products while upholding high ethical standards. The President's Award stands as the pinnacle of achievement, recognizing companies that have set an exemplary benchmark for excellence in the Fijian business community.

FPCL Team with the President of Fiji at the Fiji Business Excellence Award

Fiji Ports Recognised at the Prime Minister's International Business Awards

FPCL concluded the year on a high note by winning two more awards at the Prime Minister's International Business Awards 2023: Best Crisis Recovery Initiative Award and the Excellence in E-Commerce Transformation Award.

These honors recognize the company's remarkable resilience during the COVID-19 pandemic and its successful adoption of e-commerce technologies. Despite global challenges, Fiji Ports maintained smooth operations and adapted swiftly, showcasing resilience and innovation. These awards are not just about the company's success but also attributed to the support of its customers, employees, and the people of Fiji. Fiji Ports remains committed to fostering trade, connecting communities, and driving Fiji's economic growth through continued innovation and collaboration.

CEO of FPCL receives Excellence in E-Commerce Transformation Award at the Prime Minister's International Business Awards

CEO of FPCL receives Best Crisis Recovery Initiative Award at the Prime Minister's International Business Awards

Port of Suva wins World Cruise Award for 'Oceania Best cruise Terminal 2023'

The Port of Suva has once again achieved a remarkable feat by winning the prestigious title of Oceania's Best Cruise Terminal 2023 at the World Cruise Awards for the third consecutive year. This recognition is a testament to the port's excellence in providing top-notch services and facilities to the cruise industry.

Votes were cast by cruise industry professionals as well as the general public, with each nominee vying for the highest number of votes in their respective categories. The Port of Suva emerged as the winner in the category of Oceania's Best Cruise Terminal, showcasing its commitment to delivering exceptional experiences to cruise passengers and cruise vessels. This prestigious accolade reflects the port's dedication to providing excellent customer service and seamless operations.

By consistently delivering outstanding performance and continuously enhancing its offerings, the Port of Suva has secured its position as a leading cruise terminal in Oceania. This recognition not only validates the port's efforts but also highlights its contribution to the growth and success of the cruise industry in the region. The Port of Suva's achievement of being awarded Oceania's Best Cruise Terminal for two consecutive years is a testament to its commitment to excellence and its ability to meet and exceed the expectations of both cruise industry and passengers.

FPCL celebrates World Oceans Day

FPCL maintains its unwavering dedication to the preservation of the oceans and marine environment. As part of the global observance of World Oceans Day on 8th June, which saw participation from over 131 countries, FPCL actively engaged with key stakeholders to commemorate this important occasion.

Recognizing the vital role of our oceans and maritime trade in driving the economic growth of Fiji, FPCL is committed to raising awareness about the imperative of safeguarding our oceans, marine resources, and the overall marine environment. Aligning with this year's theme, "Planet Ocean: Tides are changing," FPCL remains steadfast in its pursuit of becoming the leading Smart, Green gateway for trade in the Pacific region.

International Day of the Seafarer

In recognizing the special Day of Seafarers on 25th June 2023, FPCL collaborated with the Maritime Safety Authority of Fiji, in celebrating this year's Day of the Seafarers, with the theme: "MARPOL at 50 – Our commitment goes on". It emphasizes IMO's long history of protecting the environment from the impact of shipping – and its ongoing commitment to the important work done through this crucial treaty. Day of the Seafarer was a time when seafarers were remembered, appreciated, and recognized for their unique contribution locally, all over the world — to international seaborne trade, the world economy, and society.

World Maritime Day Celebrations

FPCL celebrated and recognized World Maritime Day this year on 29th September 2023. With more than 80% of the world's global trade being transported through international shipping, recognizing the contributions of those in the Maritime industry is vital to the world's trade industry. This year's World Maritime Day theme, "MARPOL at 50 – Our commitment goes on" and celebrations started with a march from the Suva Flea Market to the Suva Civic Center Auditorium. Members from different schools and maritime associations (Fiji Maritime Academy, Fiji Navy, FSHIL, FPCL and more) joined the march. It was a full day of celebrations, speeches, wreath laying, Plenary sessions and entertainment provided by the Fiji Navy band.

FPCL Team participates at the World Maritime Day Celebrations

Corporate Social Responsibility

Fiji Ports Corporation Pte Limited (FPCL) has a social responsibility to the wider community and other relevant stakeholders to consider social and environmental matters.

This year FPCL provided donations and sponsored a number of corporate social responsibility events to engage with the community and providing support to organisations to allow them to continue their work. This ensured FPCL remained committed to its values of corporate citizenship.

Organisations assisted included: Fiji Cancer Society, the University of the South Pacific, Mata Dance Group, Team Fiji, Fiji Climbing, Colonial War Memorial Hospital, Maritime Safety Authority of Fiji, Department of Social Welfare, Lami Fire Station as well as several secondary schools, kindergartens and community groups.

Cleanup campaign at the CWM hospital

CWM Hospital Clean Up Campaign

FPCL as part of its ongoing corporate social responsibility program participated in the Colonial War Memorial Hospital Clean Up Campaign in partnership with the Ministry of Health aimed at improving the cleanliness and maintenance of the National Diabetic Center in Fiji. The FPCL team, conducted cleaning activities and assisted with general maintenance work, ensuring a safe and hygienic environment for patients, staff and visitors.

Maintenance Works at the Delaivalelevu Mobile Kindergarten

FPCL also partnered with Delaivalelevu Mobile Kindergarten to improve the educational environment for children. The company's social committee led a project to renovate the school premises, which was carried out over two consecutive Saturdays. The dedicated staff revitalised the kindergarten's classrooms and facilities, creating a more conducive learning environment for children at Delaivalelevu and its surrounding areas. The project's benefits extends beyond renovation work which provides a safer, more comfortable and inspiring space for learning and growth. This initiative aligns with Fiji Ports' core values of community engagement and social responsibility reflecting their commitment to making a positive difference in the lives of those they serve.

Pinktober

To mark Pinktober FPCL collaborated with the Oncology Unit at the Colonial War Memorial Hospital's Pediatric Ward to assist two young patients. who were battling cancer. During this event, FPCL staff generously donated essential items and other necessities to provide a small level of comfort and assistance to the young patients and their families. This assistance was aimed to alleviate some of the challenges faced by the patients during their treatment but also sought to give hope and positivity during a difficult time.

FPCL Team makes donation at the Pinktober Event

Operational Efficiency

FPCL's Port Operations through Harbour Master Office administer the safety and protocols to the main Ports of Entry and other secondary ports in Fiji. FPTL an associate company of FPCL that manages the cargo terminals in Suva and Lautoka ports.

Efficiency of port operations is essential to FPCL's continued contribution to the nation's economic well-being and especially during the difficult times such as the global pandemic, ensuring 100% operation for maritime borders is vital for Fiji's trade. FPCL's port operations maintains standards, safety and protocols to the main Ports of Entry and other secondary ports throughout Fiji. FPTL, an associate company of FPCL, manages the cargo terminals in Suva and Lautoka ports.

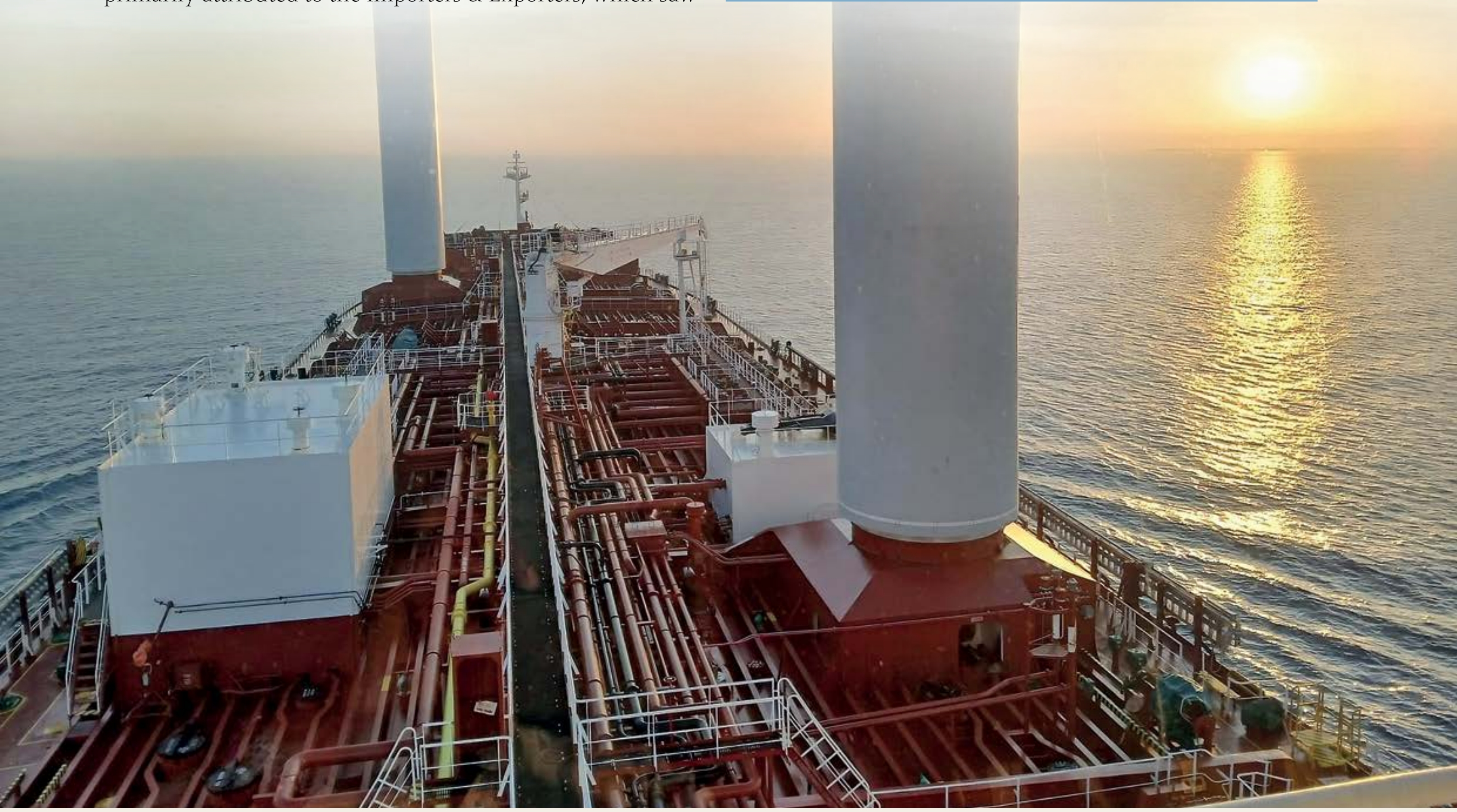
FPCL's port operations includes Harbour Masters Office at the Ports of Suva and Lautoka including the provision of Pilotage and Tug Boat services, a Ports Security Unit, the overseeing operations at the Port of Levuka, and Local Wharfs in Suva and Lautoka.

Port User Licenses (PUL)

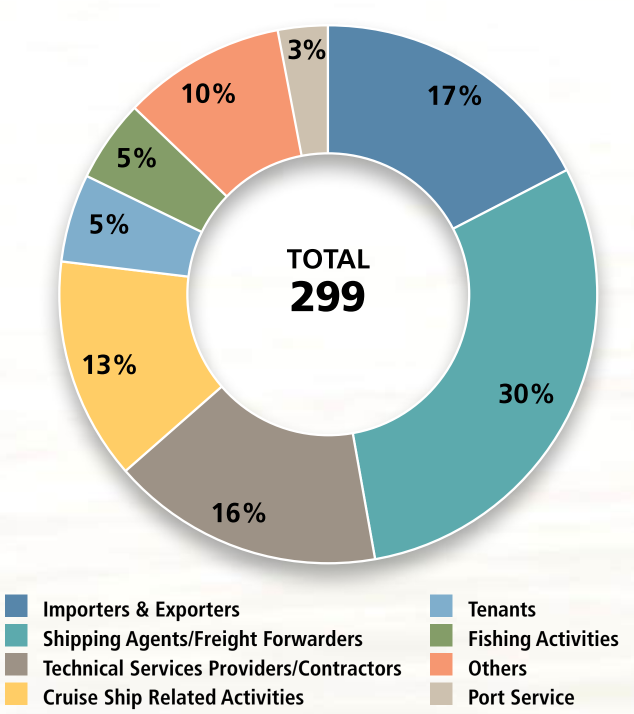
In 2023, there was a slight decrease in the issuance of Port User Licenses (PUL) across various categories, with a 3% decline compared to the previous year (2022). This decrease can be primarily attributed to the Importers & Exporters, which saw a significant decline from 90 licenses issued in 2022 and 52 licenses issued in 2023.

A global or regional economic downturn could lead to reduced trade volumes, impacting PULs and thus a lower number of businesses requiring licenses.

No. of PUL issued by Categories for 2023	Number
Importers and Exporters	52
Shipping Agents/Freight Forwarders	89
Technical Services Providers/Contractors	49
Cruise Ship Related Activities	40
Tenants	16
Fishing Activities	15
Others	29
Port Service Providers	9
Total	**299**



No. of PUL issued by Category (2023)



Implementation of the Maritime Single Window Project

FPCL is, working in collaboration with prominent global entities such as The World Bank, the International Maritime Organization (IMO), and the Pacific Community (SPC), is actively advancing discussions on the implementation of the Maritime Single Window project across the Pacific region. This transformative endeavor aims to establish a centralized platform fostering seamless submission, processing, and sharing of crucial maritime documentation among diverse stakeholders including government bodies, shipping corporations, port authorities, customs agencies, and other pertinent entities.

The ultimate objective is to streamline trade operations, reduce administrative complexities, and enhance the fluidity of goods and information flow across borders. FPCL's involvement underscores a steadfast commitment to regional synergy, effective trade facilitation, and harnessing international expertise to execute the Maritime Single Window project. These progressive initiatives hold immense potential to substantially bolster the economic progress and development of Pacific Island nations by optimizing the efficiency of their maritime trade processes.

Portable Pilotage Unit (PPU)

Portable Pilot Units or PPUs are used by local pilots for the safe navigation of the piloted vessel. This is facilitated through integrating a range of navigation sensors with an electronic chart and display. These devices provide information for the pilot to utilize when executing piloting duties.

In 2023, five sets of PPUs with incorporated software and AIS connector were purchased for FPCL Pilots in Suva and Lautoka which are currently being used. The cost of the procured devices including software and its maintenance for 5 years amounted to USD$52,700. This attributes to FPCL's smart port initiative to use of modern technology to minimize risks in its operations due to the increasing number of vessels berthed at its facilities.

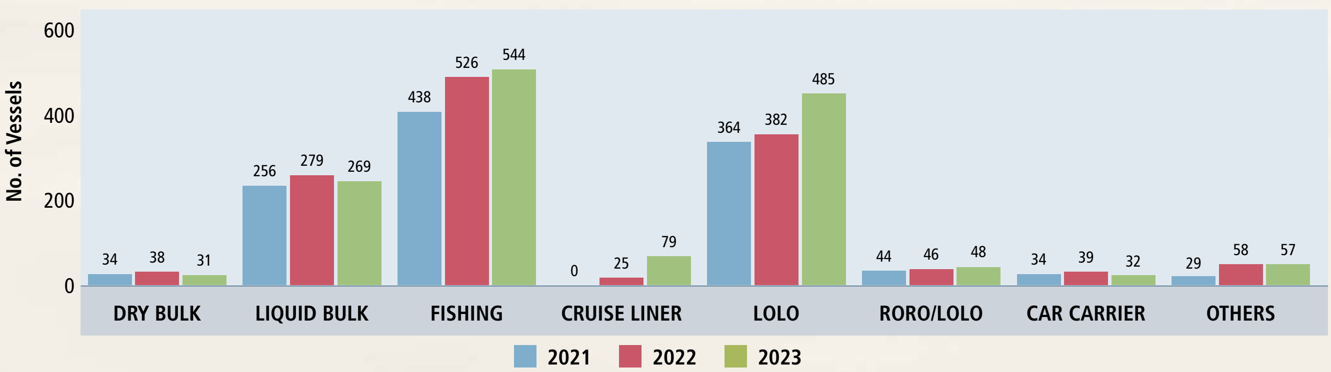
New Pilot Boat for Port of Lautoka

In maintaining efficiency in the services provided through port operations, FPCL invested in the purchase of a new pilot boat for the Port of Lautoka at the cost of FJ$2.2m to be delivered in the second quarter of 2024.

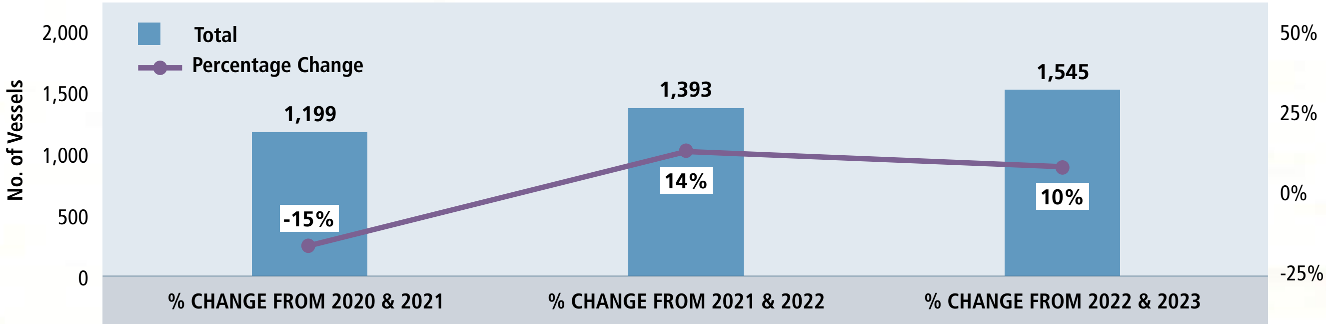
New Pollution Monitoring Patrol Boat

In upholding its vision of smart and green gateway of trade in the Pacific, FPCL has purchased a new pollution monitoring boat which will also serve as a patrol boat in the monitoring and surveillance of its port boundaries at the Port of Suva. Over there years there has been an increase in the number of oil spills reported within the port waters. The new pollution monitoring patrol boat will boost the Enforcement Unit in ensuring that FPCL complies with the national requirements, its stakeholders, and customers.

Total Vessel Calls by Vessel Type (2021, 2022 & 2023)



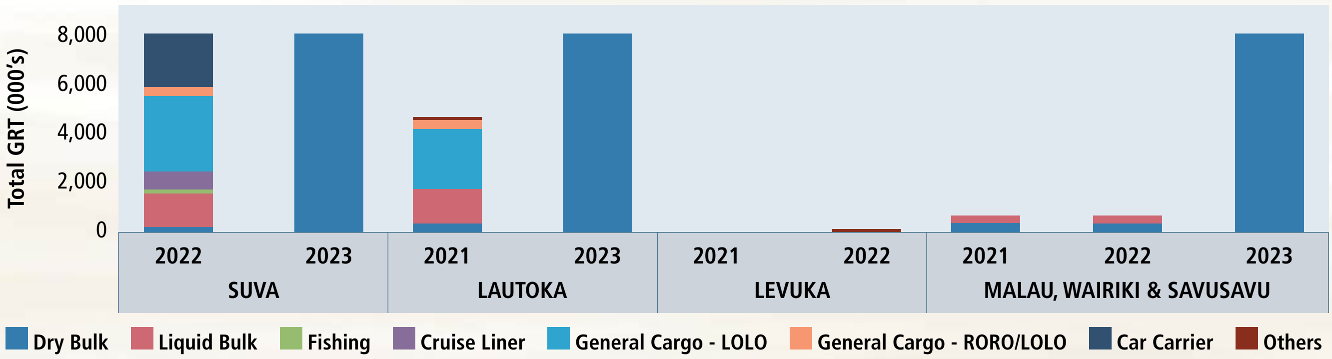
No. & % Change of Total Vessel Calls (2021, 2022 & 2023)



Total Vessel Calls by Type and by Port

Vessel Type	Suva			Lautoka			Levuka			Malau, Wairiki & Savusavu		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Dry Bulk	8	12	9	16	16	15	0	0	0	10	10	7
Liquid Bulk	75	83	76	127	141	140	0	0	0	54	55	53
Fishing	402	468	488	0	0	0	36	58	56	0	0	0
Cruise Liner	0	10	30	0	11	41	0	2	3	0	2	5
General Cargo - LOLO	201	210	274	163	172	211	0	0	0	0	0	0
General Cargo - RORO/LOLO	22	23	24	22	23	24	0	0	0	0	0	0
Car Carrier	34	39	32	0	0	0	0	0	0	0	0	0
Others	21	48	42	8	10	15	0	0	0	0	0	0
Total	763	893	975	336	373	446	36	60	59	64	67	65

Vessel Calls by GRT and Port (2021, 2022 & 2023)

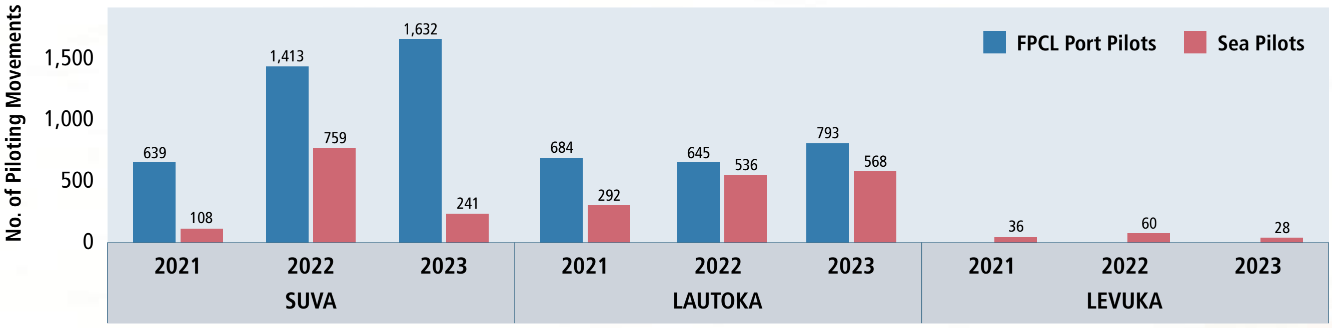


Piloting and Tug Movements

Share of Piloting Movements (2021, 2022 & 2023)

Piloting Movements	Suva			Lautoka			Levuka		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
FPCL Port Pilots	639	1,413	1,632	684	645	793	0	0	0
Sea Pilots	108	759	241	292	536	568	36	60	28
TOTAL	747	2,172	1,873	976	1,181	1,361	36	60	28

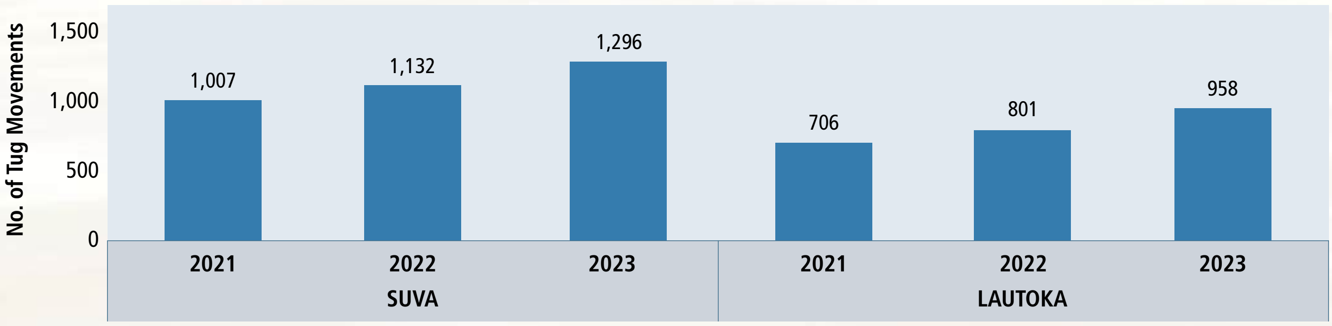
Share of Piloting Movements (2021, 2022 & 2023)



Port of Suva, Lautoka & Levuka - Tug Movements for 2021, 2022 & 2023

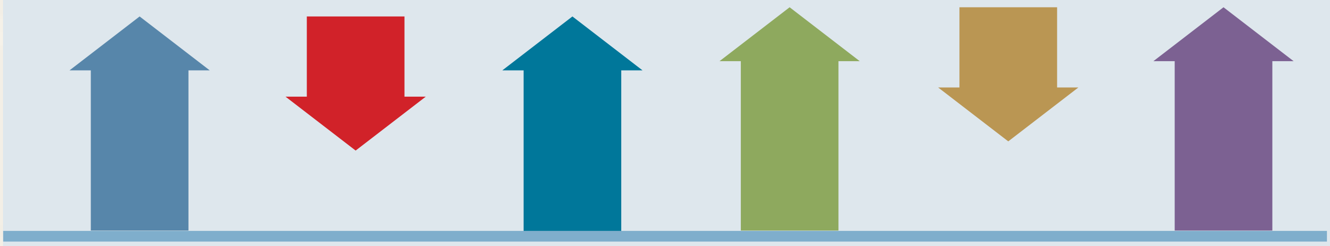
Tug Movements	Suva			Lautoka			Levuka		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
	1,007	1,132	1,296	706	801	958	0	0	0

Tug Movements by Port (2021, 2022 & 2023)



Comparison of FPCL Port Performance with UN Port Performance Mean

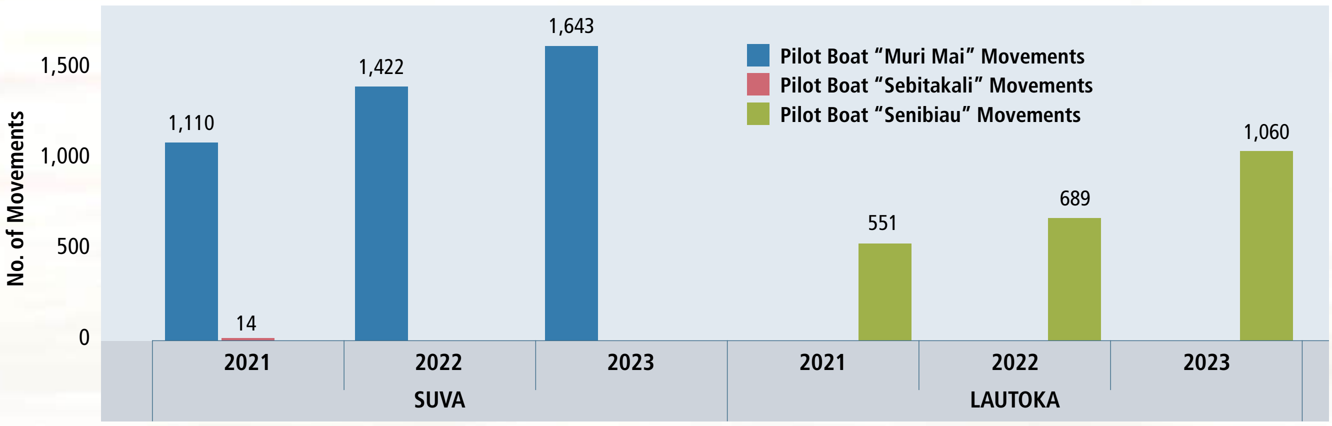
EBITDA as a percentage of TOTAL INCOME	Revenue per Employee FJD (UN scorecard rates converted at 0.44)	EBITDA per Employee FJD (UN scorecard rates converted at 0.44)	Labour cost per Employee FJD (UN scorecard rates converted at 0.44)	TOTAL EMPLOYMENT cost as a percentage of TOTAL INCOME	TRAINING COST as a per percentage of WAGES
Variance Between UN Port Performance "Mean" vs. FPCL	Variance Between UN Port Performance "Mean" vs. FPCL	Variance Between UN Port Performance "Mean" vs. FPCL	Variance Between UN Port Performance "Mean" vs. FPCL	Variance Between UN Port Performance "Mean" vs. FPCL	Variance Between UN Port Performance "Mean" vs. FPCL
12.8%	**-83,021**	**44,469**	**-6,698**	**4.9%**	**2.9%**
(higher as compared to UN Port Performance "Mean")	(Lower as compared to UN Port Performance "Mean")	(higher compared to UN Port Performance "Mean")	(better than UN Port Performance "Mean")	(better than UN Port Performance "Mean")	(better than UN Port Performance "Mean")
UN Port Performance "Mean" 2022 **43.8%**	UN Port Performance "Mean" 2022 **514,823**	UN Port Performance "Mean" 2022 **200,080**	UN Port Performance "Mean" 2022 **44,484**	UN Port Performance "Mean" 2022 **11.9%**	UN Port Performance "Mean" 2022 **3.2%**
FPCL **61%**	FPCL **431,802**	FPCL **244,549**	FPCL **51,182**	FPCL **16.8%**	FPCL **0.3%**



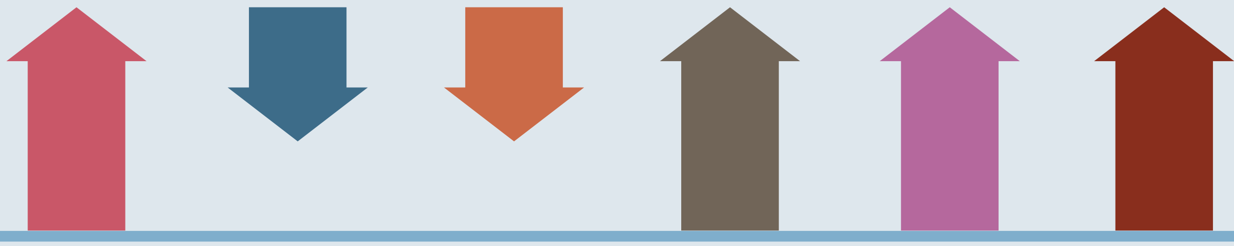
FPCL Pilot Boat Movements for 2021, 2022 & 2023

FPCL Pilot Boat Movements	Suva			Lautoka		
	2021	2022	2023	2021	2022	2023
Pilot Boat "Muri Mai" Movements	1,110	1,422	1,643	0	0	0
Pilot Boat "Senitakali" Movements	14	0	0	0	0	0
Pilot Boat "Senibiau" Movements	0	0	0	551	689	1,060
TOTAL	**1,124**	**1,422**	**1,643**	**551**	**689**	**1,060**

FPCL Pilot Boat Movements for Port of Suva & Lautoka (2021, 2022 & 2023)



Vessel Dues as a percentage of TOTAL INCOME	Cargo Dues as a percentage of TOTAL INCOME	Average gross tonnage per vessel	Tonnes per working hours for dry bulk	Female Participation Rate	Investment in Environmental Projects/ Total CAPEX
Variance Between UN Port Performance "Mean" vs. FPCL	Variance Between UN Port Performance "Mean" vs. FPCL	Variance Between UN Port Performance "Mean" vs. FPCL	Variance Between UN Port Performance "Mean" vs. FPCL	Variance Between UN Port Performance "Mean" vs. FPCL	Variance Between UN Port Performance "Mean" vs. FPCL
16%	**-0.2%**	**9,924**	**188**	**9.2%**	**3.5%**
(better than UN Port Performance "Mean")	(Lower than UN Port Performance "Mean")	(lower than UN Port Performance "Mean")	(better than UN Port Performance "Mean")	(higher than UN Port Performance "Mean")	(higher than UN Port Performance "Mean")
UN Port Performance "Mean" 2022 **29%**	UN Port Performance "Mean" 2022 **27.6%**	UN Port Performance "Mean" 2022 **22,543**	UN Port Performance "Mean" 2022 **95**	UN Port Performance "Mean" 2022 **16.1%**	UN Port Performance "Mean" 2022 **0.3%**
FPCL **12.7%**	FPCL **27.4%**	FPCL **12,619**	FPCL **283**	FPCL **25.3%**	FPCL **3.8%**



Environment & Sustainability

Fiji Ports Corporation Pte Limited's (FPCL) Green Port Master Plan launched in 2019 outlines the organization's commitment to reducing its environmental impact. This master plan is closely aligned with FPCL's Five Year Strategic Plan and serves as a roadmap for implementing various activities and initiatives aimed at sustainability and contributing to the achievement of UN Sustainable Development Goals (SDGs).

Fiji Ports Corporation Pte Limited's (FPCL) Green Port Master Plan launched in 2019 outlines the organization's commitment to reducing its environmental impact. This master plan is closely aligned with FPCL's Five Year Strategic Plan and serves as a roadmap for implementing various activities and initiatives aimed at sustainability and contributing to the achievement of UN Sustainable Development Goals (SDGs).

Since its launch, FPCL has been actively pursuing projects that align with its environmental objectives. These initiatives span various areas, including reducing carbon emissions, conserving energy, managing waste, and promoting sustainable practices across all operations.

Specifically, FPCL has undertaken efforts to enhance energy efficiency initiatives in its facilities, optimise resource consumption and adopt renewable energy sources wherever feasible. FPCL has implemented measures to reduce greenhouse gas emissions such as the use of cleaner fuels and the introduction of energy efficient technologies.

Further, for waste management awareness, FPCL implemented recycling programs and adopted practices to minimise waste generation aiming for effective waste segregation and responsible disposal. Water conservation measures have also been implemented including the efficient use of water resources and the promotion of water saving practices.

Furthermore, FPCL has prioritised environmental awareness and education, engaging with employees, stakeholders and the local community to promote sustainable practices and environmental stewardship. These efforts aim to foster a culture of environmental responsibility and ensure long-term sustainability within FPCL's operations.

By implementing these projects and initiatives FPCL is actively working towards achieving its environmental objectives and contributing to a greener and more sustainable port operation.

The Green Port Master Plan serves as a guiding framework ensuring that FPCL remains committed to environmental stewardship and continuously improves its environmental performance.

Green Port Dashboard

In 2021 FPCL introduced a dashboard to provide an overview of the organization's progress in implementing its Green Port initiatives as outlined in the Green Port Master Plan. The dashboard serves as a visual representation of FPCL's activities and aligns them with the organization's Strategic Perspective: 5 - Environment & Sustainability.

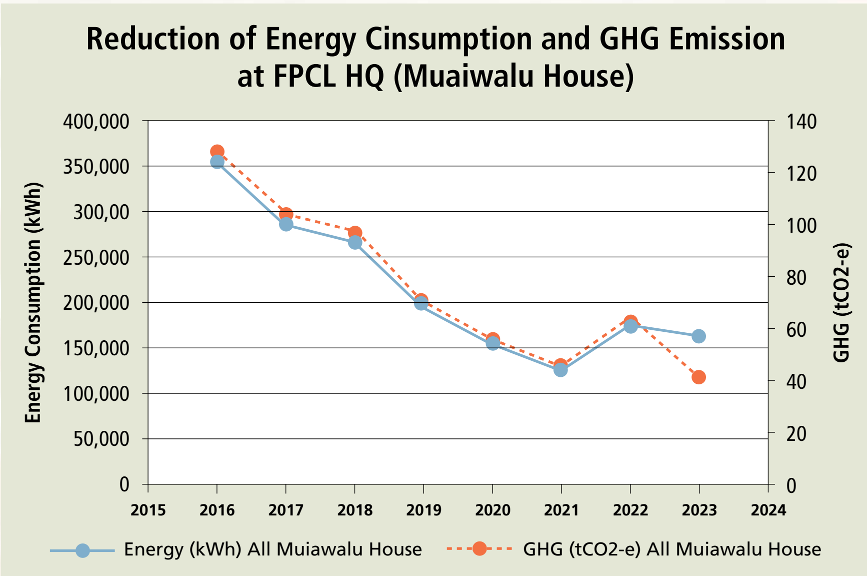
The dashboard specifically focuses on FPCL's efforts in energy efficiency and reduction as well as closely monitoring its carbon footprint. It provides a summary of key metrics and indicators related to energy consumption and carbon emissions. This allows FPCL to track its performance and assess the effectiveness of its initiatives in reducing energy usage and minimising its impact on the environment.

To gather the necessary essential data for the dashboard an energy tracker system has been implemented and maintained internally. This energy tracker captures and compiles relevant information on energy consumption and carbon emissions across FPCL's operations. The data collected is then used to populate the dashboard thus providing up-to-date and real time insights into FPCL's energy reduction progress.

By utilising the dashboard and energy tracker, FPCL can monitor and analyse its energy usage trends, identify areas for improvement and make informed decisions to further enhance its energy efficiency and sustainability efforts. The dashboard serves as a valuable tool in visualising, communicating and monitoring FPCL's progress and achievements in implementing its Green Port initiatives.

FPCL GREEN PORT DASHBORD - DECEMBER 2023

2,763 Mwh FPCL's Average Energy Consumption per Annum	*"An aspiring Smart-Green Gateway in the Pacific"*	**773 t CO_2-e** FPCL's Carbon Footprint per Annum
11% Average Reduction of Energy Consumption over the last 5 years	**$1.8M** Total Invested	**11%** Average Carbon Footprint Reduction over the last 5 years
25 Projects In-Progress	**40** Key Projects Implementd	**15** Projects Completed



Representation at the 7th Green Ports Summit

FPCL received an invitation to present at the prestigious 7th Green Ports Summit. This annual event took place in Singapore from 23-25 May 2023 and showcased global case studies and best practices in addressing the urgent need to decarbonise, as well as reduce water and air pollution emissions in port operations and businesses.

The summit provided an invaluable platform for industry profes¬sionals to exchange insights and gain a deeper understanding of the design, planning, development, operations and implementation of green and sustainable port practices and strategies. It served as a catalyst for ports globally to transform and reinvent themselves in alignment with environmental sustainability goals.

FPCL's Manager Planning & Strategy Implementation presented FPCL's Green Port Initiatives and Projects during the summit. Notably, Fiji Ports was the sole representative from the South Pacific region alongside counterparts such as the Ports of Adelaide and Newcastle in Australia, the Port of Vienna in Austria, and the Port of Hirtshals in Denmark.

FPCL's participation in the 7th Green Ports Summit highlighted our strong commitment to environmental stewardship and dedication to collborate with international partners to advance sustainable practices in the maritime industry. We are pleased to have contributed to this global event and are eager to further enhancing our green port initiatives.

FPCL's Green Port Initiative Wins IAPH Akiyama Award

FPCL with its Green Port initiative was honored with the prestigious International Association of Ports and Harbors (IAPH) Akiyama Award for its outstanding performance as a World Ports Sustainability Program (WPSP) project and as a candidate for the IAPH Sustainability Awards for the second consecutive year. The award recognized FPCL's exceptional efforts to sustainability and implementing Green Ports initiatives.

More importantly being a finalist in the Climate & Energy category highlights FPCL's commitment to addressing climate change and promoting energy efficiency within the port industry. This recognition further highlights the positive impact of FPCL's sustainability efforts on the environment and the maritime sector as a whole.

Receiving the Akiyama Award is a testament to FPCL's commitment to sustainable development and demonstrates its leadership in driving positive change within the port industry. This accolade not only brings highlights FPCL's initiatives but also showcases Fiji's dedication to environmental stewardship and sustainability as a Small Island Developing State.

FPCL delegate with participants at the Seventh Green Port Summit

FPCL Green Port Initiative Wins Green Sustainability Award at the Fiji Business Excellence Awards

The Fiji Business Excellence Awards (FBEA) recognition program promotes excellence in business practices across various sectors of the Fiji economy. This year, Fiji Ports received the event's highest honour, the President's Award. In addition to this top accolade, Fiji Ports also received the Green Sustainability Award in recognition of its green port initiatives.

Key Projects Highlights

Ongoing Lighting Upgrade Works

FPCL has invested in upgrading its facility lighting systems to high-efficiency LED technology. This enhancement provides superior illumination, improving safety and efficiency during port operations. The modern LED systems also offer reduced maintenance needs and lower repair costs, ensuring reliable and sustainable lighting solutions. Aligned with FPCL's Strategic Perspective: 5 - Environment & Sustainability, these upgrades deliver significant benefits to the port and its stakeholders by substantially reducing energy consumption and carbon emissions.

Safety, Security & Technology

Safety Overview

FPCL is committed to the health, safety, and security of its staff, and all port users. By prioritizing safety and security, FPCL demonstrates its dedication to creating a secure and protected environment for everyone within its facilities.

Ensuring the well-being of staff and port users is crucial for maintaining a safe and productive work environment. By implementing robust safety protocols, training programs, and safety measures, FPCL actively promotes a culture of safety and aims to prevent accidents, injuries, and potential hazards.

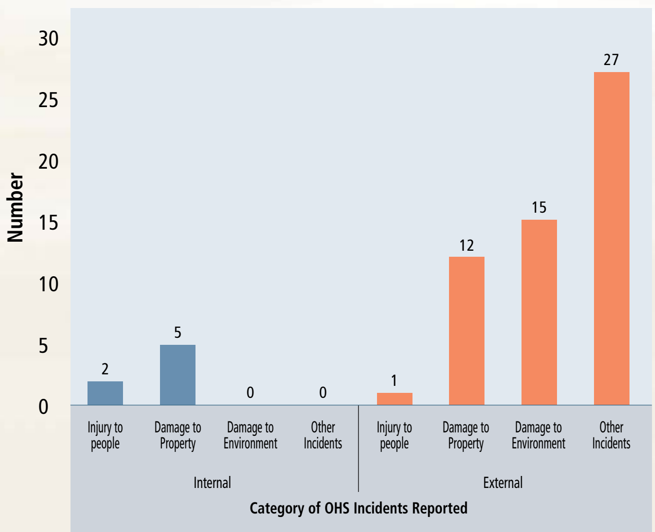
Occupational Health and Safety

The site inspections and audits conducted in 2023, including those at the ports of Suva, Lautoka and Levuka, reflect FPCL's proactive approach to ensuring safety and security across its operations. These inspections and audits identify any potential risks or hazards, enabling FPCL to implement appropriate remedies.

With the increasing number of cruise ships visiting the ports, maintaining safety and security is paramount. FPCL understands the importance of providing a secure environment for cruise passengers, staff, and the general public. By adhering to strict safety protocols and implementing necessary security measures, FPCL ensures a safe and enjoyable experience for all stakeholders.

FPCL is committed to fostering a culture of safety by involving both staff and stakeholders in its occupational health and safety (OHS) initiatives. Through ongoing collaboration, training, and continuous improvement efforts, FPCL prioritizes the well-being of its staff and the public, ensuring safety remains at the forefront of its operations.

OHS Update 2023



Highlights of Key Projects

The year 2023 was crucial for the OHS unit as the company prepared for the re-certification of ISO 45001: 2018. Since our initial certification in 2019, the OHS Unit has been monitoring and improving the OHS activities of the company.

Execution of Snap Back Project at Port of Suva

A snap-back zone is a safety measure designed to reduce the risk associated with high-tension mooring lines. It refers to the sudden recoil of a mooring line when it fails under tension, which can cause severe injury or even death to those who are working in that area. Statistics show that 60% of mooring accidents involve snapbacks, with 1 in 7 resulting in fatalities.

To mitigate this risk, FPCL's OHS Unit initiated a project with the support from the Projects, Operations, and Human Capital Services departments. The project was successfully completed in August 2023, after four weeks of work.

Snap Back Zone at Port of Suva

Tsunami Evacuation Drill at Port of Suva

The UN designates World Tsunami Awareness Day, is observed globally on 5th November. In the week leading up to the event, Fiji carried out various activities, including a tabletop exercise in which FPCL actively participated. As part of the activities, a tsunami drill was conducted to test the evacuation process for Kings Wharf. The successful drill was a milestone achievement, marking the first time all Kings Wharf occupants participated in a tsunami drill.

Leading up to the tsunami drill, the OHS Unit coordinated with the National Disaster Management Office (NDMO) to ensure the correct procedures were followed. FPCL's fire warden system was modified in collaboration with NDMO officials to incorporate essential aspects of the tsunami drill. All stakeholders involved effectively carried out their roles, ensuring the successful execution of the drill on 17th November 2023. The OHS Unit is planning to conduct a similar drill at Lautoka Port in 2024.

FPCL staff and stakeholders during Tsunami evacuation drill conducted at Port of Suva

Security Overview

Ports' Security Measures

FPCL is dedicated to maintaining safety and security in its facilities and maritime borders by adhering to the International Ship and Port Facility Security (ISPS) code. Regular meetings with stakeholders, including the Fiji Police WaterPol Unit, Fiji Revenue and Customs Services, Ministry of Defence - National Security and Policy Division, and the contracted security service provider, are held to address common threats in the maritime industry.

Through active engagement with stakeholders and these meetings, FPCL Port Security ensures a coordinated and collaborative approach to maritime security. Critical infrastructure assessments are conducted, and appropriate security measures are identified and implemented to address potential vulnerabilities. This proactive strategy helps mitigate risks, enhance security protocols, and safeguard the integrity of FPCL facilities and the maritime borders. FPCL remains committed to maintaining high level of security standards, aligning with international regulations, and working closely with stakeholders to safeguard employees, customers, and the maritime community.

ISPS Assessment

The US Coast Guard conducted an independent audit of the International Ship and Port Facility Security Code (ISPS) during which FPCL's Port Security department successfully addressed the findings and implemented improvements recommended in the assessment. The FPCL Port Security Unit implemented corrective actions to resolve identified issues at both the Port of Lautoka and the Port of Suva.

As a result of the audit, both Port facilities significantly improved security measures. The successful ISPS Assessment demonstrates FPCL's commitment to maintaining and enhancing security measures in line with international standards. FPCL actively engages with the US Coast Guard, implementing recommended corrective actions to ensure that port facilities remain secure and compliant with ISPS Code requirements. Collaboration with stakeholders is is a key factor for upholding and continually improving security practices.

Key Programmes Conducted

US Coast Guard trains FPCL staff and key stakeholders

Annually, the US Coast Guard provides two sessions trainings to Fiji Port Security staff and key stakeholders, including MSAF and the Ministry of Transport: "Port Facility Security Assessment & Port Facility Security Plans" and "Port Security Exercise".

In February 2023, the "Port Facility Security Assessment & Port Facility Security Plans" training focused on enhancing the skills of Port Facility & Security Officers assessment skills in conducting security assessments and developing effective security plans tailored to port facilities. This session improved participants' knowledge and abilities in performing thorough security assessments and creating robust security plans, emphasizing the importance of maintaining a secure environment.

Similarly in April 2023, the "Port Security Exercise" training aimed to enhancing participants' understanding of the assessment process, including identifying vulnerabilities and potential threats, and developing effective security plans to mitigate those risks. This training reinforced the importance of maintaining high standards of port facility security and complying with the International Ship and Port Facility Security (ISPS) Code.

Through active participation in these training programs and achieving certification, FPCL, along with its partners in the Ministry and MSAF, demonstrated its proactive approach to enhancing port facility security and the well-being of all stakeholders involved in maritime operations. FPCL remains committed to upholding international standards and continually improving its security practices, ensuring the safety and protection of its facilities, personnel, and the broader maritime community.

The European Union conducts awareness trainings on CRIMARIO II and IORIS

In 2014, the European Union's (EU) launched the Critical Maritime Routes Indo-Pacific (CRIMARIO) I initiative to enhance maritime domain awareness in the Western Indian Ocean region through information sharing, capacity building and training. This was achieved by developing the Maritime Operational Coordination & Communications Platform for the Indo-Pacific (IORIS) platform – a maritime coordination and incident management tool - along with extensive training programmes on maritime data processing.

FPCL CEO briefing the US Coast Guard team

Building on the success of the first phase, CRIMARIO II, was launched in 2020, expanding the project's geographical scope to include South and Southeast Asia, and the Pacific as of 2022. The aim is to connect to the Indo-Pacific, through cross-sectoral, inter-agency and trans-regional cooperation, aligning with the EU's Indo-Pacific Strategy. This strategy emphasizes the EU's role as a global maritime security provider, promoting an open and rules-based regional maritime architecture. As part of this effort, the CRIMARIO initiative consolidates information-sharing mechanisms in the Indo-Pacific region, including the IORIS platform.

In 2023, FPCL Port Security Staff participated in the CRIMARIO II and IORIS (Indian Ocean Regional Information Sharing) training provided by the European Union. The CRIMARIO II focuses on two specific objectives: enhancing information exchange and analysis, to support maritime coordination and crisis management; and strengthening maritime surveillance, policing, investigation and judiciary. The EU initiative is aims to support countries in the Indo-Pacific region in enhancing maritime security and safety, and to facilitating inter-agency cooperation at both national and regional levels.

FPCL Port Security staff participated in the CRIMARIO II and IORIS training

Highlights of Key Projects

CCTV Surveillance System Upgrade

In 2022, FPCL initiated a major project to upgrade its CCTV Surveillance System across all its facilities, which was completed in 2023. This upgrade aims to enhance the overall port security system and provide comprehensive coverage at key locations such as Kings Wharf, Muaiwalu I, Muaiwalu II in Suva, and Queens Wharf, Kings Jetty in Lautoka.

This project underscores FPCL's commitment to maintaining a robust security infrastructure and ensuring the safety of its ports. The installation of advance cameras and expanded coverage will contribute to improved security surveillance, better incident response, and the prevention of unauthorized activities.

FPCL remains dedicated to adopting modern technologies and best practices to safeguard its facilities, personnel, and the interests of its stakeholders. Continued investment in port security initiatives reflects FPCL's proactive approach in maintaining a secure and resilient port environment.

New Access Control System at Local Wharf, Muaiwalu 2

An Automatic Number Plate Recognition (ANPR) Control Access System was installed at the local wharf, Muaiwalu 2, this has enabled the company to monitor traffic, enforce parking regulations and enhance security. The project cost approximately $112,000 and is part of FPCL's ongoing initiative to strengthen and monitor access controls within its port facilities. There are plans to install similar ANPR Control Access Systems at other ports of entry in Suva and Lautoka.

Procurement of Port User License and ID Cards Printing Machine

In the past, FPCL relied on outsourcing the printing of Port User License (PUL) ID cards. To improve this function, FPCL acquired a ID printing machine in 2023 for the Suva Port Security Department. This acquisition has enabled FPCL to produce and distribute PUL ID cards in-house. Following the successful project in Suva, plans are underway to procure similar printing machines for the Port of Lautoka.

Technology Overview

FPCL's 5-Year Strategic Plan has a high emphasis on technology as a strategic perspective, specifically under Strategic Goal 6 - Safety, Security, and Technology. The perspective emphasizes the adoption of Smart Port initiatives to ensure international best practices in port technology and foster an efficient working environment.

To achieve this strategic initiative, FPCL recognizes the need for an overarching Information Systems Strategic Plan (ISSP). The ISSP will serve as a roadmap, outlining the steps and initiatives required to fulfill the strategic initiative of embracing technology advancements.

The development of the ISSP aligns with FPCL's ICT department's vision to drive the organization's business objectives in the digital era. By leveraging technology, FPCL aims to elevate its position in the maritime industry, enhancing operational efficiency, safety, and security through digital innovations.

The ISSP will guide FPCL in selecting and implementing the right information systems, infrastructure upgrades, and digital solutions, ensuring that technology investments support FPCL's business goals. By embracing Smart Port initiatives and staying at the forefront of digital transformation, FPCL demonstrates its commitment to driving growth, efficiency, and innovation within the organization.

Highlights of Key Projects

Implementation of Cybersecurity Measures

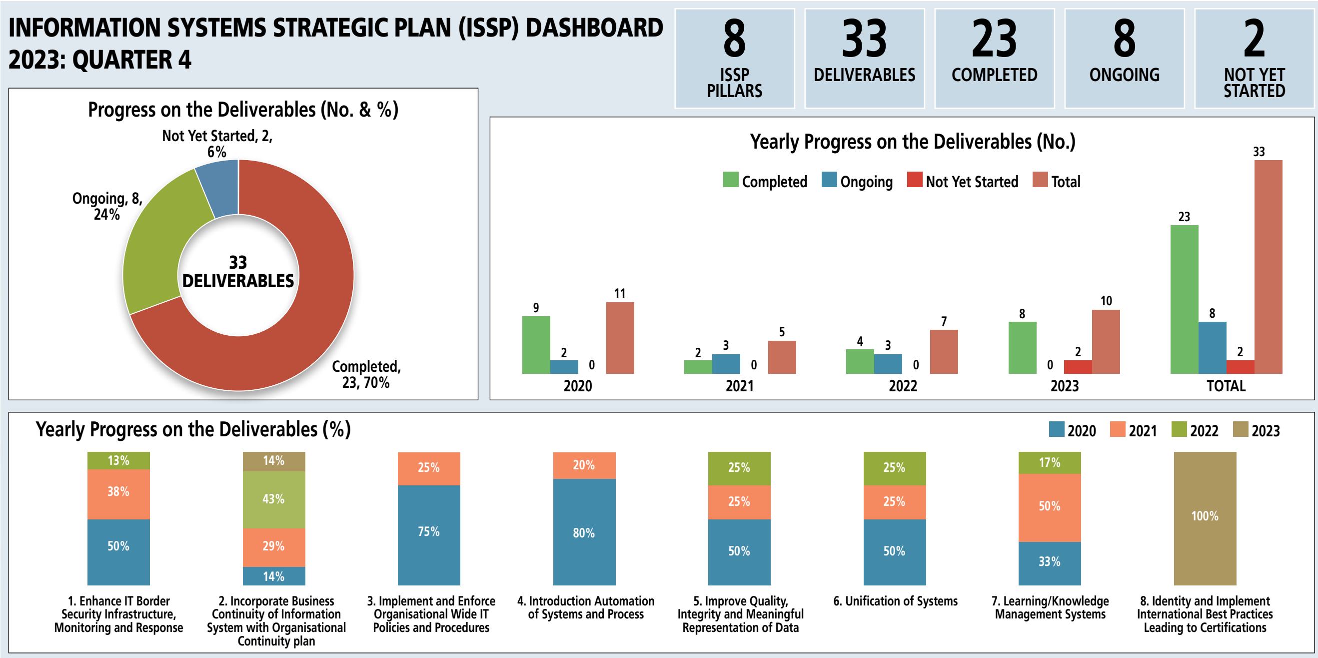
In 2023, ICT Department prioritized the enhancing cybersecurity measures to protect FPCL's digital assets from evolving threats. By implementing advanced security solutions and regular security assessments, FPCL strengthened its security systems and mitigated potential vulnerabilities. This proactive approach to cybersecurity ensures the protection of sensitive information and fosters trust among stakeholders. This was achieved through the implementation of the following:

- Successfully supported the email security infrastructure by implementing Mimecast as the mail security solution. This initiative aims to strengthen defense against evolving cyber threats, safeguarding sensitive data, and ensuring the integrity of communications within the organization.
- Successfully upgraded all edge security devices including firewall to enhance network security controlling all traffic flowing internally and externally.
- Conducted regular security assessments and rectification of audit outcome to identify vulnerabilities and mitigate risks proactively.

Optimization of ICT Related Infrastructure

In 2023, the ICT Department focused on optimizing FPCL's technological infrastructure to enhance performance, reliability, and scalability. Through strategic upgrades and modernization efforts, FPCL improved the efficiency of its systems and services. The adoption of cloud-based solutions further increased flexibility, cost-efficiency, and accessibility, aligning FPCL's infrastructure with the organization's evolving needs. These initiatives set the stage sustainable growth and innovation in the digital landscape paving the way for future upgrades planned for 2024.

ICT Department also implemented cloud-based solutions for increased flexibility, cost-efficiency, and accessibility. This included implementation of Cirrus as the cloud-based backups for all the Microsoft 365 applications.



Implementation of Data Management and Compliance

In 2023, an external ICT audit was conducted by an external independent entity on all ICT related assets and processes. FPCL's ICT Department is currently working on mitigating the vulnerability and gap analysis identified in the audit report:

- Implementation of enhanced data management practices to ensure compliance with regulatory requirements and industry standards.
- Implementation of a robust backup and disaster recovery solutions to minimize data loss and downtime. FPCL's ICT Department carried out a comprehensive re-design of the backup system, leveraging Veeam as the backup software for enhanced reliability and efficiency. Additionally, the implementation of Apollo Server as the backup repository has significantly improved the Recovery Time Objective (RTO) and Recovery Point Objective (RPO), minimizing downtime and data loss risks.
- Implementation of enhanced storage appliance to upkeep and protect all digital data.

Digital Transformation Initiatives

Throughout the year, FPCL's ICT Department led initiatives to digitalize processes, streamline workflows, and enhance organizational efficiency. Efforts also focused on improving collaboration and communication by implementing unified communication solutions and upgrading intranet portals and communication tools. This has enhanced seamless information sharing and collaboration.

Projects Focus for 2024

FPCL's ICT Department remains focused on driving technological innovation, enhancing cybersecurity resilience, and delivering value-added services to support the organization's strategic objectives. In 2023, several projects have been identified for continued implementation in 2024, aimed at achieving as a part of the digitalization strategy.

Strategic Planning and Road mapping

- Develop and refine ICT strategic plans to align with emerging technological trends.
- Identify and prioritize key initiatives to drive innovation, efficiency, and competitive advantage.

Continual Improvement and Innovation

- Foster a culture of continual improvement and innovation within the ICT Department.
- Explore emerging technologies and trends to identify opportunities for business transformation and growth.

Enhanced User Experience

- Focus on improving user experience and satisfaction through intuitive interfaces and user-friendly technology solutions.
- Provide ongoing training and support to empower users and maximize the benefits of technology investments.

Cybersecurity and Risk Management

- Strengthen cybersecurity measures to address evolving threats and vulnerabilities.
- Implement proactive monitoring and response mechanisms to detect and mitigate security incidents effectively.

Data Analytics and Insights

- Leverage data analytics and business intelligence tools to derive actionable insights and support informed decision-making.
- Develop data governance frameworks to ensure the integrity, privacy, and security of organizational data assets.

Fiji Ships & Heavy Industries Pte Limited

Key Highlights

- 1000T rehabilitation work
- Completion of three (3) major regional projects with a combined income of $1.07m
- 1000T cradle fabrication project commenced.
- Successful completion of the ISO 9001:2015 Quality Management System audit
- Implementation of the Quality Circle projects to support green port initiative
- FSHIL records a net profit of $127K despite of the ongoing rehabilitation work and unavailability of 1000T slipway.

Financial Performance

Fiji Ships & Heavy Industries (FSHIL) had made a net profit of $128,000.00 in 2023, despite challenges with aging infrastructure. A total of 36 vessels were repaired in 2023 including notable projects for clients from the Marshall Islands, Tuvalu, and the Kingdom of Tonga. While fishing vessel turnover remained low, there was an improvement compared to the previous year.

Total expenses increased by 23% or $674,000.00 over 2022 which is mainly attributed to an increase in revenue leading to increase in corresponding costs and repairs and maintenance of slipway infrastructure. To further assist in maintaining expenses other cost saving initiatives such as reduced security services, strict control on administrative expenses and measures were implemented to reduce the impact during low-income generation periods.

In February 2023, the 1000T slipway was temporarily closed for essential rehabilitation work. This included the replacement of the damaged slipway structure both above and below the waterline, installation of new rails and pawl brake rack, and the fabrication and installation of a new cradle with wheels.

Throughout this period, the company was able to meet its financial obligations. FSHIL's financial position remained strong with a cash balance of $3.5m. However, gearing ratio was 58% due to a $4m loan given by FPCL to cater for the much-needed slipway upgrade project.

NPAT has increased by $114k or 89.5% over 2022. Managing the business with only one slipway was extremely challenging. The $127k NPAT was achieved due to sufficient revenue being generated from project works and extensive management control on costing of jobs, overtime costs, collection of deposits and overall supervision of the projects to meet customer deadlines.

Slipways

1. 200tonne slipway (FSHIL plans to upgrade to accommodate 46 metre vessels with 11 metre beam)
2. 500tonne slipway (46 metre vessels with 11metre beam)
3. 1000tonne slipway (65 metre vessels with 13-meter beam)

Heavy Industries

FSHIL continued providing services for marine and general industry customers in Fiji by undertaking steel works, engineering, and technical works. Some of the major heavy industries jobs completed in 2023 were Mooring Buoys for Port of Wairiki and repairs and maintenance of FPCL facilities at the various wharf facilities.

Water blasting and painting underway at FSHIL

FSHIL Organisational Structure & Change Management Steering Team

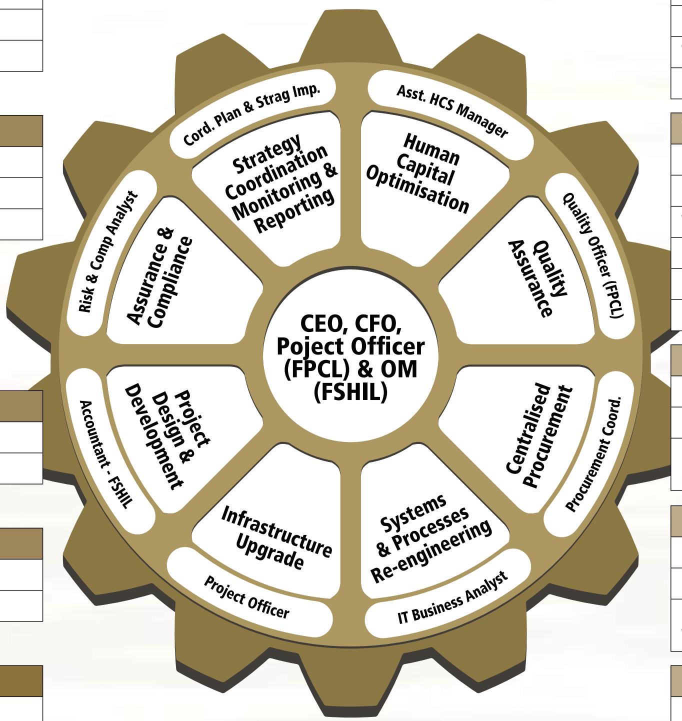
Governance
Executive Management
Legal Unit
Risk & Compliance Unit (FPCL)

Financial
Finance Department
Business Information Unit
Procurement

Sustainability & Environment
Environment Management Unit
Energy Management Unit

Infrastructure
Assets Management (FPCL)
Projects Unit

ACC	Finance & ITC
Budget Income Forecast	
CAPFX/OPFX/Finance Risks Check & Balance/Financial Report, P&L Statement	
Stores & Transport	



OM	General Management
Production Department	
HR Department	
Technical & Estimation Department	
Quality Assurance Department	

WM	General Management
Slipway	
Steel	
Water Blasting/Painting/Boat Buildings	
Carpentry & Joinery	
Engineering	
Heavy Industries	

HRC	Organisation
Skills & Knowledge Development	
Motivation, OMS and Capacity Building	
Strategic Goals, KPI, Monitoring and Check and Balance Control System	

SE	Technical & Estimation
Onboard Assessment Survey Report	
Quotation & Invoice Template	
Ship Design, Workshop Drawings & Drafting Works/Ship Repair & Heavy Industries	

QAO	Quality Systems
ISO 9001:2015	
Standard Operation Procedures (SOP)	
Quality Checklist/ACS/MSAF Reg. Risk Management	

Highlights of Major Regional Ship Repair Projects

FSHIL completed three major projects in 2023 with a combined income of $1.07m. The MV Majuro, owned by the Government of Marshall Islands had major refit works whereby income generated was $425,000.00. The RV Talamoana vessel, owned by Government of Tuvalu has major refits works to the sum of $375,000.00. This vessel is used for research work by the Fisheries department in Tuvalu. The Tugboat Hifofua, owned by Ports Authority of the Kingdom of Tonga had major engineering and steel work at a cost of $277,000.00. The project works commenced in June 2023 and were completed by December 2023. Income generated by these project works accounted for 29% of the overall income for 2023.

FSHIL operates three Slipways (1000T, 500T and 200T) in Suva

Key Highlights of FSHIL's Quality Unit

During 2023, FSHIL maintained fully compliance to the Quality Management System ISO 9001: 2015. Revamped during 2023, the Quality Unit commenced a review and streamline of major processes to maximize efficiency and effectiveness. FSHIL ensured ongoing compliance and continual improvement by deploying the following key projects that were initiated and completed in 2023:

- Successful completion of the ISO 9001:2015 Quality Management System audit (2022 audit cycle conducted in January 2023).
- Review of FSHIL Policies and Standard Operating Procedures:
  - FSHIL Quality Management System Manual
  - FSHIL Estimation and Variation SOP
  - FSHIL OHS operating procedures
- Internal Audit (Stage 1 & Stage 2)
- Development, review and implementation of organization wide standard operating procedures
- Organisation-wide awareness on the FSHIL Quality Management System
- Quality Circle Projects provided tangible benefits/ outcomes.

FSHIL Internal & External Audit

FSHIL underwent an external audit for its 2022 audit cycle in January 2023 by the certification body, Shri Lanka Standards Institute (SLSI). FSHIL achieved commendable results in its ISO 9001:2015 Quality Management System external audit which is an extensive three day compliance audit.

With a team of eight trained Internal Auditors, FSHIL successfully completed eight Departmental Internal audits in 2023. Internal Audits were part of the extensive preparation carried out to prepare FSHIL for the 2023 External Audit.

Initially, the external audit was scheduled to be conducted in December 2023, however this was rescheduled to January 2024. FSHIL is committed to mainatin 100% complaince to its Quality Management System.


FSHIL Team with External Auditor from SLSI during the 2022 external audit cycle conducted in January 2023

Welding works undertaken by FSHIL staff

FSHIL's Quality Circle implements cost-saving and energy initiatives

The FSHIL's Quality Circle Team, led by our Works Supervisor and Human Resource Coordinator have successfully completed Quality Circle Project One. The objective of Project One, titled "Installation of Gas Set with Trolley at Stores for Mild Plate Users" is to reduce wastage of mild steel plates. With the successful implementation of this project, steel section staff can now cut required plates to the approved measurements at the Stores using the installed Gas Cutting Set, significantly minimising wastage.

Furthermore, FSHIL's Quality Circle is currently in the final stage of Project Two, "Replacement of Electricity Lights with Solar Lights at FSHIL" which is in line with the Green Port initiative. The project requires the in¬stallation of solar lights throughout FSHIL and is nearing completion further promoting sustainable practices at FSHIL facilities.

Workforce Trend

FSHIL is committed to acquiring, retaining and developing the well-trained and skilled staff to ensure a productive, professional, qualified and skilled team as the workforce.

FSHIL employed a total of 75 employees which included 13 contract employees, eight permanent employees, 52 project employees and two apprentices.

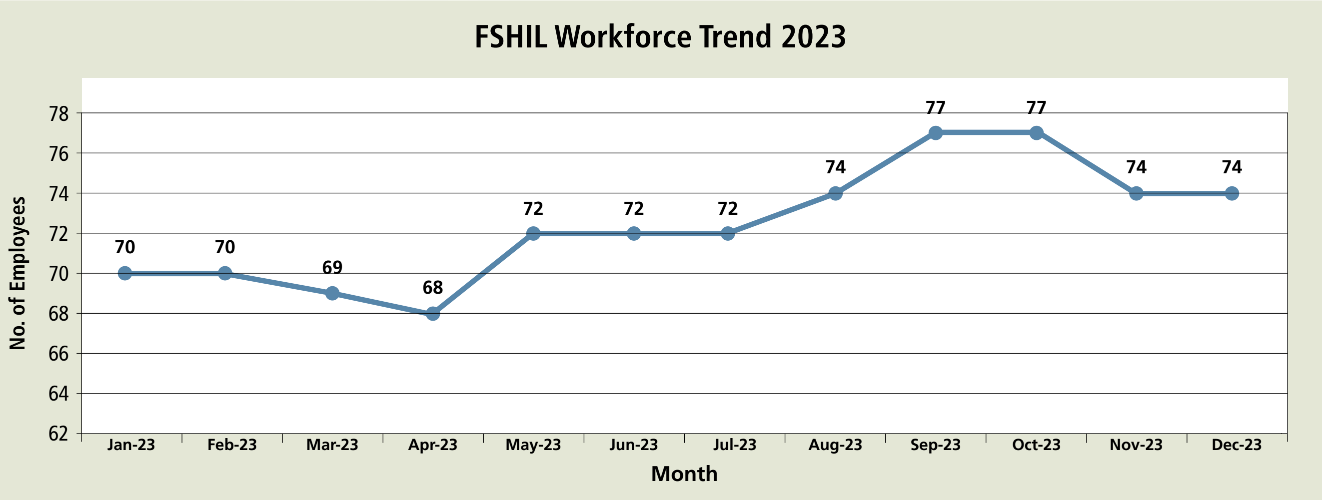
Project employees account for highest percentage with 69% of the FSHIL workforce, followed by 19% as contracted employees, 13% as permanent employees and 3% for apprenticeships.

The Workforce trend for 2023 shows an increase in number of employees in the second half of the year, this is due to increase in number of projects.

Training and Upskilling

The Human Capital Services Department of FSHIL provides opportunities for employees to enhance their knowledge and their skills, improving the effectiveness in the workplace. The Training Plan for 2023 prioritized continued education for all employees recommending and facilitating participation in training sessions, workshops, seminars, and webinars relevant to their areas of work. In collaboration with the FPCL training unit and utilizing the shared FPCL training budget, FSHIL conducted a range of training programs. A total of $10,882 was invested in various training and upskilling initiatives throughout 2023.

FSHIL staff working on a Quality Circle project



Key Event Highlights

Recognition Award at the Fiji National University's (FNU) 60th Anniversary of Apprenticeship in Fiji

During FNU's 60th Anniversary of Apprenticeship in Fiji, FSHIL was recognized for supporting FNU's apprenticeship scheme in Fiji for 25 years. The event was held in August 2023 at the Sheraton Fiji Resort, Nadi. The recognition was accepted by FSHIL's Acting Operations Manager, is a testament to the organization's unwavering support spanning over two and a half decades in championing the apprenticeship scheme in Fiji.

This commendation underscores FSHIL's commitment to nurturing and empowering talent, as well as its role in advancing skill development within Fiji's apprentices. In 2023, FSHIL employed two apprentices as Fitters and Machinists who are set successfully graduate in April 2024. To continue its support towards the scheme and skills development in the ship repairs industry, FSHIL will recruit four (4) apprentices in Welding & Fabrication, Fitting and Machining and Carpentry and Joinery trades in 2024.

World Maritime Day Celebration

FSHIL participated in the World Maritime Day celebrations with commitment to aligning its operations with the theme MARPOL at 50: Our Commitment Goes On. FSHIL has taken up the responsibility to actively work towards MARPOL objectives, focused on minimizing the environmental footprint of ships during its operations.

Staff Appreciation and end of the year event

To conclude another productive year staff were hosted to a celebration of long serving staff members as well as staff appreciation and retirement. A function was held to mark the occasion for staff. During the function staff were presented with recognition certificates of service in three categories which were for 10, 15 and 20-Years' Service as well as Appreciation Certificates for all Departments. Retiring staff were also presented with certificates and plagues to mark 21 years of dedicated service.

FSHIL receives Recognition Award at FNU's 60th Anniversary of Apprenticeship

FSHIL staff at their year end celebration

Long Serving Staff Recognition

Long serving employees with 10, 15 and 20 years of dedicated service to FSHIL were recognized with recognition certificates for their unwavering commitment to FSHIL. During this occassion, three employees were recognized for their 20 years of dedicated service to FSHIL, four employees were commended for their 21 years of dedicated service while three staff members were honored for 10 years of service to the organization.

Presentation of appreciation plaque for 21 years of service to FSHIL Foreman Engineering by FPCL CEO

Wellness Program

In an effort to mitigate non-communicable diseases (NCDs), FSHIL's Human Capital Services Department has implemented a Wellness Friday Program for all employees. Every Friday for one hour, employees can engage in team sports and activities to promote health and wellness. All employees who participate are provided with the necessary equipment to facilitate these wellness sessions. This initiative has received a positive and enthusiastic response from employees, demonstrating their active participation and support in promoting a healthier lifestyle through teamwork.

FSHIL staff participates in the Wellness Program

Aerial view of Walu Bay, Suva

Fiji Ports Cargo & Vessel Statistics

Foreign Vessels (excluding Fishing)			
Year	**Nos**	**GRT**	**100 GRT/HS**
2008	852	9,368,207	2,127,985
2009	865	9,936,397	1,631,796
2010	836	9,922,208	1,941,675
2011	739	9,180,823	2,288,756
2012	719	8,636,293	2,313,947
2013	952	14,636,282	3,205,089
2014	926	15,929,778	2,952,331
2015	900	14,546,797	3,245,154
2016	936	17,637,430	3,559,033
2017	1,083	20,974,320	4,040,687
2018	979	17,654,116	3,655,158
2019	919	16,304,021	3,540,229
2020	790	13,124,514	2,932,466
2021	761	11,933,294	2,811,352
2022	867	14,909,877	3,781,169
2023	1,001	19,320,736	3,873,935

2023 Foreign Vessels (excluding Fishing)			
Vessel Type	**Nos**	**GRT**	**100GRT/HRS**
Cruise	79	4,934,013	454,903
Dry Bulk	31	822,061	523,679
Liquid Bulk	269	3,390,824	437,109
LOLO	485	7,426,362	2,023,316
LOLO/RORO	48	831,612	122,455
Car Carrier	32	1,603,250	157,180
Others	57	312,614	155,293
Total	**1,001**	**19,320,736**	**3,873,935**

2022 Foreign Vessels (excluding Fishing)			
Vessel Type	**Nos**	**GRT**	**100GRT/HRS**
Cruise	25	1,505,031	199,008
Dry Bulk	38	1,021,809	620,500
Liquid Bulk	279	3,233,953	504,097
LOLO	382	5,878,441	1,879,733
LOLO/RORO	46	811,855	160,821
Car Carrier	39	2,141,223	220,815
Others	58	317,565	196,195
Total	**867**	**14,909,877**	**3,781,169**

2021 Foreign Vessels (excluding Fishing)			
Vessel Type	**Nos**	**GRT**	**100GRT/HRS**
Cruise	-	-	-
Dry Bulk	34	986,066	553,939
Liquid Bulk	256	2,826,469	397,254
LOLO	364	5,090,086	1,436,893
LOLO/RORO	44	767,322	135,249
Car Carrier	34	1,927,872	188,903
Others	29	335,479	99,114
Total	**761**	**11,933,294**	**2,811,352**

Local Vessels 2023			
Vessel Type	**Nos**	**GRT**	**100GRT/HRS**
RORO/Passenger	1,344	1,034,353	1,788,872
Conventional	632	169,361	1,420,203
Fishing/Others	982	169,722	245,689
Total	**2,958**	**1,373,435**	**3,454,765**

Local Vessels 2022			
Vessel Type	**Nos**	**GRT**	**100GRT/HRS**
RORO/Passenger	1,656	1,318,437	2,308,835
Conventional	714	171,155	1,178,338
Fishing/Others	1,301	287,961	295,139
Total	**3,671**	**1,777,553**	**3,782,312**

Local Vessels 2021			
Vessel Type	**Nos**	**GRT**	**100GRT/HRS**
RORO/Passenger	851	971,514	3,076,712
Conventional	634	130,821	941,185
Fishing/Others	1,126	291,446	193,155
Total	**2,611**	**1,393,781**	**4,211,052**

Cargo Throughput 2023			
Type	**Import**	**Export**	**Total**
Break Bulk	13,779	2,924	16,703
Dry Bulk	505,802	555,978	1,061,780
Liquid Bulk	720,567	104,966	825,533
M/Vehicle Bulk	124,603	1,703	126,306
Total Foreign Cargo	1,364,751	665,571	2,030,322
Total Local Cargo	157,184	115,380	272,564
Total Cargo Fiji	**1,521,935**	**780,951**	**2,302,886**

Cargo Throughput 2022			
Type	**Import**	**Export**	**Total**
Break Bulk	11,602	12,278	23,880
Dry Bulk	312,285	306,285	618,570
Liquid Bulk	683,971	166,626	850,597
M/Vehicle Bulk	191,983	1,717	193,700
Total Foreign Cargo	1,199,841	486,907	1,686,748
Total Local Cargo	146,473	136,281	282,754
Total Cargo Fiji	**1,346,314**	**623,188**	**1,969,502**

Cargo Throughput 2021			
Type	**Import**	**Export**	**Total**
Break Bulk	21,048	11,745	32,793
Dry Bulk	258,916	574,588	833,504
Liquid Bulk	555,241	158,136	713,377
M/Vehicle Bulk	112,037	1,420	113,457
Total Foreign Cargo	947,241	745,890	1,693,131
Total Local Cargo	160,395	103,030	263,424
Total Cargo Fiji	**1,107,636**	**848,919**	**1,956,555**

Containerised Cargo 2023			
Type	**Laden**	**Empty**	**TEUs**
20Ft	76,041	44,642	120,683
40Ft	19,871	13,171	66,084
Total	**95,912**	**57,813**	**186,767**
Tonnage @ 25/ teu container			4,669,175

Containerised Cargo 2022			
Type	**Laden**	**Empty**	**TEUs**
20Ft	82,456	46,254	128,710
40Ft	19,986	11,929	63,830
Total	**102,442**	**58,183**	**192,540**
Tonnage @ 25/ teu container			4,813,500

Containerised Cargo 2021			
Type	**Laden**	**Empty**	**TEUs**
20Ft	76,277	40,186	116,463
40Ft	15,204	10,235	50,878
Total	**91,481**	**50,421**	**167,341**
Tonnage @ 25/ teu container			4,183,525

2023 International Fishing Vessel			
Vessel Type	**Nos**	**GRT**	**100GRT/HRS**
Fishing	544	175,102	36,758

2022 International Fishing Vessel			
Vessel Type	**Nos**	**GRT**	**100GRT/HRS**
Fishing	526	205,774	33,584

2021 International Fishing Vessel			
Vessel Type	**Nos**	**GRT**	**100GRT/HRS**
Fishing	438	133,047	11,584

Fiji Ports Corporation Limited

FIJI PORTS CORPORATION LIMITED and its Subsidiary

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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FIJI PORTS CORPORATION LIMITED and its Subsidiary

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2023

In accordance with a resolution of the Board, the Directors present their report on the consolidated entity consisting of Fiji Ports Corporation Limited ("the Company") and its subsidiary (collectively "the Group") as at 31 December 2023. Financial comparisons used in this report are of results for the year ended 31 December 2023 compared with the year ended 31 December 2022.

Information in this Directors' Report is provided to enable shareholders to make an informed assessment of the operations, financial position, performance and other aspects of the Company and the Group, and whether the Company and the Group are a going concern.

Principal activity

The principal activity of the Company is providing and managing the port infrastructure and services within declared ports. The principal activity of the subsidiary trading as "Fiji Ships and Heavy Industries Limited" is the provision of ship repair and slipway services. There has been no significant change in these activities during the year.

Review and results of operations

The operating Group profit for the year was $27,838,273 (2022: $27,059,625) after providing for income tax expense of $4,298,500 (2022: $4,982,958). The operating profit for the Company for the year was $27,745,277 (2022: $25,974,909) after providing for income tax expense of $4,355,087 (2022: $4,965,137).

Our values

At Fiji Ports Corporation Limited and its subsidiary, we have 6 key values that are the core of our business, as listed below:

- Professionalism -We are guided by the highest level of honesty and integrity in everything we do and will always demonstrate fair, open, honest and ethical business practices. We aim to treat our people, customers and stakeholders with respect. Our people and our conduct is a measurement of high standards of professional integrity;
- Commercial Stewardship - We will manage our business and activities in a commercial manner and ensure that competitive and compensatory financial returns provide for a long and prosperous future for the organization. We will commit to being accountable to effective business planning, and reward our people for achieving success;
- Strategic Innovation - Through our people and our development strategy, we will challenge the status quo of the maritime transportation and logistic sector to become recognized leaders by being responsive to the changing needs of maritime and industrial sectors, and by bringing value to our customers through being an effective link in the supply chain;
- Progressive Leadership - We will promote a proactive and creative environment that supports a work culture of collaboration and teamwork, and aim to develop leaders who enthusiastically embrace achievement and innovation. We will encourage the continuous learning, training and development of our people. We will always try to do better;
- Corporate Citizenship - We will integrate corporate citizenship and social responsibility into every aspect of our operations. We recognize that it is a privilege to share the marine and land assets of Fiji Ports with the community, and the people in the various associated regions, and that we have responsibility to the community to communicate openly with residents, participate in, and support development, and ensure that our actions protect the environment and Fiji culture; and
- Employees Well Being Diversity- As a Company, we hold advancing the health, safety and well being of our workforce as an absolute priority. It's a commitment that encompasses the environments in which employees work, and the communities in which they live. We aim to be a leader in diversity aiming always to be non-discriminatory in respect to culture, race, sex or age, and consequently providing a fair and accepting workplace.

Our strategy

Fiji Ports Corporation Limited (FPCL) aims to be the Smart Green Gateway for Trade in the Pacific Region. The 5 Year Strategic Plan (2019 - 2025 extended) is a cornerstone of the overall alignment of the Port to an increasingly dynamic and competitive business environment. Through the Strategic Plan, FPCL will meet key challenges and leverage opportunities to achieve its goals. The Plan addresses the physical, operational, economic, environmental and recreational requirements of the Company. It forms the basis for the strategic policy for effective resources utilization and efficient service delivery.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Directors' Report *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

Our strategy *continued*

The Company implemented the 5 Year Strategic Plan commencing from 2019 - 2025 (extended). The strategic goals is adopted from the previous strategy Vvtiich had nine goals of Vvtiich six goals have been adopted for the 5 Year Strategic Plan. These goals are targeted to address challenges that lie ahead as well as reflecting the nature of the ownership model of FPCL. The six strategic perspectives include:

Strategic Perspective 1 - Governance

Protect Shareholders integrity and transparency Vvtiile achieving a balance between commercial and social deliverables.

Strategic Perspective 2 - Infrastructure

Invest strategically to ensure necessary availability of fit for purpose facilities Vvflile assessing future asset options for long term efficiency and productivity.

Strategic Perspective 3 - Financial Performance

To spearhead the Commercial and Financial stewardship of FPCL and to ensure that shareholder value is enhanced, in the midst of implementing capital intensive projects.

Strategic Perspective 4 - Organization/ Capacity

Align organizational structure to objectives and capacity requirements, Vvflile promoting gender equality and retention.

Strategic Perspective 5 - Environment

Implement Port Sustainability Guidelines and Energy Management Initiatives to become a Green Port in the Pacific.

Strategic Perspective 6 - Safety, Security and Technology

Adopt Smart Port initiatives to achieve best practice in international Port Security and safe working environment.

Our priorities this year

In financial year 2023 and looking forward in 2024, we have been progressively working towards delivering results for our key priorities as identified Vvithin our Strategy. These key priorities are:

- Lautoka Yard 4 development planning phase to increase port capacity.
- Progressed the construction works for the Wharf Rehabilitation for the Ports of Lautoka.
- Progressed the feasibility studies to increase port capacities.
- Progressed implementation of Information Systems and Strategic Plan.
- Progressed the implementation of the 5-year strategic Plan
- Improve capacity building and recruitment process.

Key statistics

	Group	Company
Number of emoloyees	230	154
Dividend per share	$0.21	$0.21
Total Income	$64,241,250	$66,497,477
Net Assets	$180,999,822	$175,433,573

The future

Major future strategies of the Group are to:

- Explore to implement Vessel Traffic Management System at Lautoka Port.
- Explore the integration of the financial system Vvith the Vessel Traffic Management System.
- Progress the dredging works to increase the port capacity.
- Commence the construction works for the Wharf Rehabilitation for the Ports of Suva.
- Develop marketing strategies and invest in business development to build key throughputs and revenues. Identify regional trade and market share opportunities, interface Vvith industry groups including international agents.
- Enterprise value creation.
- Implement the 5-year Green Port Master Plan.
- Develop Lautoka Yard 4 further to increase port capacity.
- Progress the Suva Port Relocation project.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Directors' Report *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

Dividends

On 17 May 2023, the Directors resolved to pay a dividend of twenty one cents per share ($0.21) for the 2022 financial year.

Dividends paid out during the year were as follows:

Dividend	Date resolved	Date paid	Dividend per share	Total dividends
Final Dividend	17/05/2023	18/12/2023	$0.21	$15,584,945

Significant Events occurring during the financial year

The year 2023 saw the normalizing of the economic bounce-back Post Covid where the trade volumes had slightly dropped when compared to 2022. Despite this, FPCL had incremental revenues from Cruise vessel arrivals and also Outer Port pilotage revenues.

The Company has focused more on its capacity expansion measures for the short and medium term by diverting resources towards key capital projects to meet the increasing demands of cruises.

The Directors and management believe the Company has sufficient financial resources together with arrangements with their customers and suppliers currently to be able to successfully manage their business risks. FPCL is embarking on progressing towards the implementation of the 5- year strategic plan where key capital projects have been commissioned and some are in its planning phases. The Company and management are optimistic of the successful implementation of the 5-year strategic plan.

The striving Tourism industry of Fiji continues to be the driving force behind the increased demand for imports and also the economic activity of the country. The Fiji Ports has benefited from cruise vessel arrivals which has yielded additional revenues.

Subsequent Events after the financial year

There were no matters or circumstances have arisen subsequent to the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results, or cash flows of those operations, or the state of affairs of the Company in future financial years.

Details of Directors and executives

Directors of the Company and the Group during the financial year and up to the date of this report were:

- Mr. Peter Wise (Chairman)	Appointed on 3rd March 2023
- Mr.Tevita Kuruvakadua	Appointed on 8th August 2015 and resigned on 28th February 2023
- Mr. lqram Cuttilan	Appointed on 1st July 2017
- Dr. Parakrama Dissanayake	Appointed on 18th March 2019
- Mr. Niranjwan Chettiar	Appointed on 9th September 2020
- Ms. Tupoutua'h Baravilala	Reappointed on 28th April 2021 and resigned on 4th April 2023
- Mr. Vilash Chand	Reappointed on 3rd July 2022 and resigned on 23rd May 2023
- Mr.Tevita Lomalagi	Appointed on 26th September 2022
- Mr. Vijay Maharaj	Appointed on 28th August 2023
- Mr. Ashwin Pal	Appointed on 28th February 2023
- Mr. Emosi Varea	Appointed on 24th April 2023
- Mr. lliesa Lulu	Appointed on 24th April 2023 and resigned on 19th June 2023
- Mr. Waqa Bauleka	Appointed on 18th May 2023

None of the directors had shareholding in the Company as at 31 December 2023.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Directors' Report *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

Board and Committee meeting attendance

Details of the number of meetings held by the Board and its committees during the financial year ended 31 December 2023, and attendance by Board members, are set out below:

Directors	Board		Committees					
			Board Finance, Audit & Risk Management Sub-committee		Board HR Sub-committee		Board Technical, Infrastructure & Sustainability Sub-committee	
	A	B	A	B	A	B	A	B
Mr Peter Wise	2	2	-	-	-	-	4	2
Mr Emosi Varea	2	2	-	-	2	2	-	-
Mr Waqa Bauleka	1	1	-	-	-	-	4	4
Mr Vijay Maharaj	2	-	1	-	-	-	-	-
Mr Vilash Chand	1	1	-	-	-	-	1	1
Mr Iliesa Lutu	1	1	-	-	1	1	-	-
Mr Tevita Lomalagi	2	2	1	1	1	1	-	-
Mr Ashwin Pal	2	2	2	2	-	-	-	-
Mr Niranjwan Chettiar	2	2	-	-	-	-	4	4
Mr Iqram Cuttilan	2	2	-	-	2	2	4	4
Dr Parakrama Dissanayake	2	2	-	-	-	-	-	-

A: number of meeting held while a member
B: number of meetings attended

Auditor independence

The Directors have obtained an independence declaration from the Company's auditor, KPMG. A copy of the auditor's independence declaration is set out in the Auditor's Independence Declaration to the Directors of Fiji Ports Corporation (Fiji) Limited on page 7.

For and on behalf of the Board of Directors and in accordance with a resolution of the Directors.

Date This 29 day of April 2024.

....
Director

....
Director

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Directors' Declaration

FOR THE YEAR ENDED 31 DECEMBER 2023

In the opinion of the Directors of Fiji Ports Corporation Limited ("the Company") and its subsidiary (collectively "the Group")

a) the accompanying statements of profit or loss and other comprehensive income of the Group and the Company are drawn up so as to give a true and fair view of the results of the Group and the Company for the year ended 31 December 2023;

b) the accompanying statements of changes in equity of the Group and the Company are drawn up so as to give a true and fair view of the changes in equity of the Group and the Company for the year ended 31 December 2023;

c) the accompanying statements of financial position of the Group and the Company are drawn up so as to give a true and fair view of the financial position of the Group and the Company for the year ended 31 December 2023;

d) the accompanying statements of cash flows of the Group and the Company are drawn up so as to give a true and fair view of the cash flows of the Group and the Company for the year ended 31 December 2023;

e) at the date of these statements, there are reasonable grounds to believe that the Group and the Company will be able to pay its debt as and when they become due and payable;

f) all related party transactions have been adequately recorded in the books of the Group and the Company and are reflected in the attached financial statements; and

g) the accompanying financial statements have been prepared in accordance with the Companies Act 2015.

For and on behalf of the Board of Directors and in accordance with a resolution of the Directors.

Date This 29 day of April 2024.

....
Director Director

KPMG

Lead Auditor's Independence Declaration under Section 395 of the *Companies Act 2015*

To the Directors of Fiji Ports Corporation Limited

I declare that, to the best of our knowledge and belief, in relation to the audit of Fiji Ports Corporation Limited for the financial year ended 31 December 2023, there have been:

i. no contraventions of the auditor independence requirements as set out in the Companies Act 2015 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Christina Vlachos
Partner

Suva, Fiji
29 April 2024

Idependent Auditor's Report

To the Shareholder of Fiji Ports Corporation Limited

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of Fiji Ports Corporation Limited ("the Company") and the consolidated financial statements of Fiji Ports Corporation Limited and its subsidiary ("the Group") which comprise the statements of financial position as at 31 December 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and Group as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Standards).

Basis for Opinions

We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report.

We are independent of the Group and Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), the Companies Act 2015 and the ethical requirements that are relevant to our audits of the financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Emphasis of Matter — comparative information

We draw attention to Note 25 to the financial statements, which describes the reclassification of term deposits from cash and equivalents to financial assets which are disclosed as comparatives in this financial statement. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of Fiji Ports Corporation Limited and its Subsidiary for the year ended 31 December 2022, excluding the restatement of comparative balances described in Note 25, were audited by another auditor who issued an unmodified opinion on those financial statements on 24 April 2023.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements and our Auditor's report thereon.

Our opinions on the financial statements do not cover the other information and we do not express any form of assurance conclusion thereon.

KPMG

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and Management for the Financial Statements

Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Directors and management are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinions. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

KPMG

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion:

i. proper books of account have been kept by the Company, sufficient to enable financial statements to be prepared, so far as it appears from our examination of those books; and

ii. to the best of our knowledge and according to the information and explanations given to us the financial statements give the information required by the Companies Act 2015, in the manner so required.

KPMG
KPMG

Christina Vlachos
Partner

Suva, Fiji
29 April 2024

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Statements of Profit or Loss and other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Operating revenue	2(a)	62,670,934	56,227,959	59,565,097	53,838,701
Other revenue	2(b)	1,570,316	1,747,910	6,932,380	7,045,077
Total income		64,241,250	57,975,869	66,497,477	60,883,778
Depreciation		(7,071,088)	(6,656,434)	(6,441,700)	(5,978,339)
Employee benefit expenses	3(a)	(9,312,853)	(7,276,547)	(7,882,089)	(6,120,688)
Property expenses	3(b)	(1,769,274)	(2,199,302)	(1,797,066)	(2,318,322)
Marine service charges	3(c)	(14,207,741)	(12,121,756)	(14,207,741)	(12,121,756)
Operating expenses	3(d)	(6,359,093)	(5,677,618)	(4,950,055)	(4,616,204)
Total expenses		(38,720,049)	(33,931,657)	(35,278,651)	(31,155,309)
Profit from operations		**25,521,201**	**24,044,212**	**31,218,826**	**29,728,469**
Finance income	3(e)	840,748	1,227,285	941,465	1,252,861
Finance costs	3(f)	(59,927)	(41,284)	(59,927)	(41,284)
Share of profit in associate	19	5,834,751	6,812,370	-	-
Profit before income tax		**32,136,773**	**32,042,583**	**32,100,364**	**30,940,046**
Income tax expense	4	(4,298,500)	(4,982,958)	(4,355,087)	(4,965,137)
Profit for the year		**27,838,273**	**27,059,625**	**27,745,277**	**25,974,909**
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year, net of tax		**27,838,273**	**27,059,625**	**27,745,277**	**25,974,909**

The accompanying notes form an integral part of this Statements of Profit or loss and Other Comprehensive Income.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Statements of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Share capital					
As at 1 January		73,154,852	73,154,852	73,154,852	73,154,852
At 31 December	17(a)	73,154,852	73,154,852	73,154,852	73,154,852
Retained earnings					
As at 1 January		95,591,642	81,936,975	90,118,389	77,548,438
Profit for the the year		27,838,273	27,059,625	27,745,277	25,974,909
Dividends	17(b)	(15,584,945)	(13,404,958)	(15,584,945)	(13,404,958)
At 31 December		107,844,970	95,591,642	102,278,721	90,118,389
Total shareholders' equity		**180,999,822**	**168,746,494**	**175,433,573**	**163,273,241**

The accompanying notes form an integral part of this Statements of Changes in Equity.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Statements of Financial Position

AS AT 31 DECEMBER 2023

	Notes	Group 2023 $	Group 2022 $ Restated*	Company 2023 $	Company 2022 $ Restated*
Assets					
Current assets					
Cash and cash equivalents (*Restated)	16	40,497,707	40,493,145	36,933,422	36,817,971
Trade and other receivables	5	8,795,605	4,273,805	7,759,557	4,054,410
Financial assets (*Restated)	6	60,000,000	60,000,000	60,000,000	60,000,000
Inventories	7	987,764	890,601	786,321	669,359
Other assets	8	2,746,551	2,346,692	2,197,732	2,190,216
Loan to subsidiary	18(e)	-	-	132,444	130,172
Current tax asset		-	-	-	-
Total current assets		**113,027,627**	**108,004,243**	**107,809,476**	**103,862,128**
Non-current assets					
Trade and other receivables	5	2,384,773	2 ,940,923	2,384,773	2,940,923
Property, plant and equipment	9	59,816,994	51,643,125	51,269,885	46,282,100
Intangible asset	11	184,403	202,959	184,403	202,958
Right-of-use asset	10	1,191,814	1,540,638	1,191,814	1,540,638
Investment property	12	135,306	168,976	135,306	168,976
Loan to subsidiary	18(e)	-	-	4,369,423	437,764
Investment in subsidiary		-	-	6,660,000	6,660,000
Investment in associate company	19	15,140,262	14,954,569	10,511,536	10,511,536
Deferred tax assets	4	12,095,924	9,292,487	11,887,782	9,140,931
Total non-current assets		**90,949,476**	**80,743,676**	**88,594,922**	**77,885,827**
Total assets		**203,977,103**	**188,747,919**	**196,404,399**	**181,747,955**
Liabilities					
Current liabilities					
Trade and other payables	13	8,810,063	6,206,713	7,667,006	5,569,962
Deferred income	23	224,297	224,297	205,030	205,030
Lease liability	10	390,328	387,813	390,328	387,813
Provisions	14	212,580	222,425	212,580	222,425
Employee benefit liability	15	894,450	783,004	856,514	739,507
Current tax liability	4	1,831,062	953,595	1,831,062	953,595
Total current liabilities		**12,362,780**	**8,777,848**	**11,162,520**	**8,078,332**
Non-current liabilities					
Deferred income	23	9,177,464	9,401,761	8,389,136	8,594,166
Lease liability	10	848,950	1,171,365	848,950	1,171,365
Employee benefit liability	15	588,087	650,451	570,219	630,850
Total non-current liabilities		**10,614,501**	**11,223,577**	**9,808,305**	**10,396,382**
Total liabilities		**22,977,281**	**20,001,425**	**20,970,825**	**18,474,714**
Net assets		**180,999,822**	**168,746,494**	**175,433,573**	**163,273,241**
Shareholders' equity					
Share capital	17(a)	73,154,852	73,154,852	73,154,852	73,154,852
Retained earnings		107,844,970	95,591,642	102,278,721	90,118,389
Total shareholders' equity		**180,999,822**	**168,746,494**	**175,433,573**	**163,273,241**

* Refer to Note 25.

The accompanying notes form an integral part of this Statements of Financial Position.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Statements of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Group 2023 $	Group 2022 $ Restated*	Company 2023 $	Company 2022 $ Restated*
Operating Activities					
Receipts from customers		60,202,021	57,659,223	57,344,969	54,879,849
Payments to suppliers and employees		(31,505,383)	(25,908,148)	(28,583,581)	(24,110,244)
Interest paid		(20,045)	-	-	-
Interest received		679,684	489,682	679,684	515,473
Income tax paid		(6,157,159)	(4,983,901)	(6,157,159)	(4,983,901)
Income tax refund		-	142,485	-	-
Net cash provided by Operating Activities		**23,199,118**	**27,399,341**	**23,283,913**	**26,301,177**
Investing Activities					
Acquisition of property, plant and equipment		(14,967,111)	(8,575,279)	(11,007,086)	(8,500,726)
Proceeds from sale of property, plant and equipment		200	1,583	200	-
Acquisition of Intangibles		(21,600)	(194,292)	(21,600)	(194,292)
Placement of Term deposits		(18,000,000)	(14,000,000)	(18,000,000)	(14,000,000)
Redemption of Term deposits		18,000,000	14,000,000	18,000,000	14,000,000
Dividend from investment in associate and subsidiary		5,649,058	5,740,968	5,649,058	5,740,968
Proceeds from repayment of borrowings by related parties		-	-	(3,933,931)	140,994
Net cash used in Investing Activities		**(9,339,453)**	**(3,027,020)**	**(9,313,359)**	**(2,813,056)**
Financing Activities					
Payment of dividends	17 (b)	(13,467,956)	(13,404,958)	(13,467,956)	(13,404,958)
Repayment of lease liabilities		(387,147)	-	(387,147)	-
Net cash used in Financing Activities		**(13,855,103)**	**(13,404,958)**	**(13,855,103)**	**(13,404,958)**
Net increase in cash and cash equivalents		**4,562**	**10,967,363**	**115,451**	**10,083,163**
Cash and cash equivalents at the beginning of the year		**40,493,145**	**29,525,782**	**36,817,971**	**26,734,808**
Cash and cash equivalents at the end of the year	**16**	**40,497,707**	**40,493,145**	**36,933,422**	**36,817,971**

* Refer to Note 25.

The accompanying notes form an integral part of this Statements of Cash Flows.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

1.0 Corporate Information

Fiji Ports Corporation Limited was incorporated under the Fiji Companies Act 2015 and is domiciled in Fiji. Until 12 November 2015, Fiji Ports Corporation Limited was a Government owned entity incorporated as a Government Commercial Company under the Public Enterprises Act 1996 . The Minister for Public Enterprises, via a gazette on 13 November 2015, declared Fiji Ports Corporation Limited ("the Company") and Fiji Ships and Heavy Industries Limited (collectively "the Group") a Re- organisation Enterprise under the Public Enterprise Act 1996 . This facilitated the changes under the privatisation and divestment initiative of the Government.

The registered office of the Company is located at Muaiwalu House, Walu Bay. The principal place of business is Suva Kings Wharf, Port of Suva, Fiji.

The consolidated financial statements of the Company and the Group for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on ....29 April 2024......

1.1 Basis of preparation

The financial statements of the Group and the Company have been drawn up in accordance with the provisions of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared primarily on the basis of historical costs, unless otherwise stated.

The accounting policies have been consistently applied, and except where there is a change in accounting policy, are consistent with those of the previous year.

Several other amendments and interpretations apply for the first time in 2023, but do not have an impact on the financial statements. The Group and the Company have not early adopted any standards, interpretations or amendments that have been issued but not yet effective.

a) Company financial statements

The financial statements prepared are separate (non-consolidated) financial statement of Fiji Ports Corporation Limited. As permitted by IAS 27 Consolidated and Separate Financial Statements, the financial statements have not been consolidated to account for the Company's investments in either its associates, joint ventures or subsidiaries. The Company has elected to account for the investment in subsidiaries and its associate at cost. The Company applies the same accounting for each category of investments. Dividends from subsidiaries and associates are recognised in the profit or loss in the separate financial statements prepared when its right to receive the dividend is established.

b) Principles of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group and the Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

1.1 Basis of preparation *continued*

b) Principles of consolidation *continued*

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies.

From 1 August 2013, Fiji Ports Terminal Limited was assessed to be an associate company and is accounted for using equity accounting at the Group and the Company level.

1.2 Significant accounting judgments, estimates and assumptions

The preparation of the Company's and the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

In the process of applying the Company's and the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Determining the lease term – Group as lessee

The application of IFRS 16 Leases requires the Group to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease term, management must consider all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options). Assessing whether a contract includes a lease also requires judgment. Estimates are required to determine the appropriate discount rate used to measure liabilities.

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance date, that have a significant risk of causing a material adjustments to the carrying amount of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The Company and the Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Provision for expected credit losses (ECL) of trade receivables

The Company and the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Company and the Group's historical observed default rates. The Company and Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes are analysed.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

1.2 Significant accounting judgments, estimates and assumptions *continued*

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company and the Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 5.

Performance obligations

The performance obligation from provision of port related services, which are detailed in Note 2(a), is satisfied upon provision of these services and payment is generally due within 30 to 90 days from delivery. In the event of sale of assets, performance obligation is satisfied when the buyer obtains control of the asset.

Methods, inputs and assumptions used in allocating transaction price to performance obligation is determined after considering factors identified in Note 1.3(u).

1.3 Summary of material accounting policies

(a) Functional and presentation currency

These financial statements are presented in Fijian dollars ("FJD"), which is the Company's and the Group's functional currency. Except as indicated, financial information presented in FJD has been rounded to the nearest dollar.

(b) Foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction. Non- monetary items measured at fair value in a foreign currency are translated using the exchange rates when the fair value is determined.

(c) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation for the current and comparative period is calculated on a straight line basis over the useful life of the asset as follows:

Wharves	5% - 20%	Plant and equipment	10% - 33%
Buildings	5% - 20%	Office equipment	10% - 33%
Motor vehicles & Cranes	10% - 33%	Furniture and fittings	10% - 33%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

1.3 Summary of material accounting policies *continued*

(d) Impairment of non-financial assets

The Company and the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company and the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate value model is used.

For assets, an assignment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company and the Group makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in profit or loss.

(e) Taxes

Current income tax

Income tax comprises of current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Deferred income tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets, including those related to the tax effects of income tax losses and credits available to be carried forward, are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profit improves. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement reflects the tax consequences that would follow from the manner in which the Company, at the reporting date, recovers or settles the carrying amount of its assets and liabilities.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

1.3 Summary of material accounting policies *continued*

(e) Taxes *continued*

Value Added Tax

Revenue, expenses and assets are recognised net of the amount of Value Added Tax (VAT) except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

(f) Cash and cash equivalents

Cash and cash equivalents comprises of cash at bank and in hand and short term deposits with an original maturity of three months or less. For the purposes of the statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(g) Financial assets

Initial recognition and measurement

Financial assets within the scope of IFRS 9 Financial Instruments are classified, at initial recognition, at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company and the Group has applied the practical expedient, the Company and the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 Revenue from Contracts with Customers .

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company and the Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company and the Group commits to purchase or sell the asset.

Subsequent measurement

Financial assets at amortised cost

This category is the most relevant to the Company and the Group. The Company and the Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company and the Group's financial assets at amortised cost includes trade receivables, and loan to subsidiary and associate companies.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

1.3 Summary of material accounting policies *continued*

(g) Financial assets *continued*

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company and the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company and the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of

When the Company and the Group has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company and the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company and the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company and the Group has retained.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions (Note 1.2)

The Company and the Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company and the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company and the Group applies a simplified approach in calculating ECLs. Therefore, the Company and the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company and the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in-first-out principle. The cost of the inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. For the Company, cost has been determined on the basis of the "weighted average cost" principle and includes expenditure incurred in acquiring the inventories and bringing it to its existing condition and location.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

1.3 Summary of material accounting policies *continued*

(i) Investment property

Investment property is stated at cost less depreciation and impairment losses. When an item of property, plant and equipment becomes an investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item and its fair value is recognised directly in equity if it is gain. Upon disposal of the item, the gain is transferred to retained earnings. Any loss is recognised in profit or loss immediately.

(j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets for the Company and the Group are assessed to be finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is renewed at least at each financial year end. Changes in the expected useful life or expected pattern of consumption in future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

(k) Trade and other payables

Liabilities for trade payables and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

(l) Employee entitlements

Provisions are made for wages and salaries, incentive payments, annual and long service leave & retirement benefits estimated to be payable to employees at balance date on the basis of statutory and contractual requirements.

Long service leave obligation

A liability for long service leave is recognised and measured as the present value of anticipated future disbursements pertaining to services rendered by employees up to the reporting date. This assessment considers projected future wage and salary levels, historical employee departure patterns, and service durations. Expected future payments are discounted using interest rates on government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Retirement Benefit

The employees are entitled to retirement benefits in accordance with the Employee Contract Agreement. These benefits include a gratuity payment equivalent to 4 months' salary plus an additional 4 weeks' pay for each year of service, effective from the date of appointment with the Company. Additionally, employees who choose to retire or are retired after reaching the age of 55 may do so with a minimum notice period of three months, as per the retirement policy. The retirement benefits are calculated based on the employee's length of service and are subject to the terms outlined in the Employee Contract Agreement. Expected future payments are discounted using interest rates on government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

1.3 Summary of material accounting policies *continued*

(m) Deferred income

An unconditional grant related to assets is recognised in profit or loss as other income when the grant becomes receivable.

Other grants are recognised initially as deferred income at fair value when they are received and the Group will comply with the conditions associated with the grant and are then recognised in the profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised.

(n) Provisions

Provisions are recognised when the Company and the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Where the Company and the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when reimbursement is virtually certain. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(o) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables.

Subsequent measurement

Trade and other payables are measured at amortised cost.

(p) Dividend distribution

Dividends are recorded in the Company's and the Group's financial statements in the year in which they are declared. Dividends paid during the year are subject to the provisions of the Fiji Income Tax Act 2015 .

(q) Leases

At inception of a contract, the Company and the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lease

At commencement or on modification of a contract that contains a lease component, the Company and the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. The Company and the Group recognise a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subseque-ntl-y depreciated using the straight line method from the commencement date to the end of the lease term, unle-ss- the lease transfers ownership of the underlying asset to the Company and the Group by the end of the lease term or the cost of the right of use asset reflects that the Company and the-Gr-oup will exercise a purchase option. In that case, the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

1.3 Summary of material accounting policies *continued*

(q) Leases *continued*

As a lease *continued*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's and Group's incremental borrowing rate. Generally, the Company and the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company and the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Company and the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company and the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's and Group's estimate of the amount expected to be payable under a residual value guaranteed, if the Company and the Group's changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Company and the Group presents right of use assets and lease liabilities as separate line items in the statements of financial position.

Short term leases and leases of low value assets

The Company and the Group have elected n-ot to recognise right of use assets and lease liabilities for leases of low value assets and short term leases (12 months or less). The Company and the Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

(r) Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products and services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environment.

(a) Industry segment

The Company and the Group operates predominantly in the shipping industry.

(b) Geographical segment

The Company and the Group operates predominantly in Fiji and has therefore one geographical area for reporting purposes.

(s) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment in the consolidated Fiancial Statement is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

1.3 Summary of material accounting policies *continued*

(s) Investment in associates *continued*

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'share of profit in associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(t) Current versus non-current classification

The Group and Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Group and Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(u) Revenue

The Group and Company is in the business of providing and managing the port infrastructure and services within declared ports, as well as provision of ship repair and slipway services. Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and Company expects to be entitled in exchange for those goods or services. The Group and Company has generally concluded that it is the principal in its revenue arrangement because it typically controls the goods or services before transferring them to the customer.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

1.3 Summary of material accounting policies *continued*

(u) Revenue *continued*

The Group and the Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of equipment, the Group and the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

IFRS 15 requires that an entity considers the effects of all of the following in determining the transaction price:

- Variable consideration;
- Constraining estimates of variable consideration;
- The existence of a significant financing component in the contract;
- Non-cash consideration; and
- Consideration payable to a customer.

The Group and Company's main sources of revenue include marine services, dockage, wharfage, ship repairing, slippage fees, slipway income and property rentals. Revenue from contracts services outlined in a contract is completed for the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for services.

Marine Services

The Marine Services revenue category comprises income streams from various marine-related services, including anchorage fees, mooring charges, berthing and unberthing, boat hire, pilotage, port dues, and marine service charges. The revenue is recognised at the point of delivery of service.

Dockage

Dockage income comprises revenue from various vessel dockage, including dry bulk, cargo, fishing, passenger, tanker, and local vessels. The revenue is recognised at the point of delivery of service.

Wharfage

Wharfage revenue represents charges associated with cargo handling at the port. This includes various categories such as dry bulk, full container, and liquid bulk cargo for both imports and exports. The revenue is recognised at the point of delivery of service.

The following specific recognition criteria must also be met for the subsidiary (Fiji Ships and Heavy Industries Limited) before revenue is recognised:

Slipway charges

Some slipping charges are received in advance. The revenue is recognised when the vessels actually come on the slipway.

Ship repair charge

Revenue is recognised when work on the vessel has been performed. Billing occurs upon completion of work on stages.

The Group and Company did not incur any consideration payable to a customer. Consideration payable to a customer includes cash amounts that an entity pays, or expects to pay, to the customer. The consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

1.3 Summary of material accounting policies *continued*

(v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(w) Restatement

The Group and the Company has restated the statements of financial position and statements of cash flows for prior periods as a result of identifying an error in the classification of term deposits held at 31 December 2022. Refer to Note 25.

1.4 Changes in accounting policies and disclosures

New standards, interpretations and amendments issued but not adopted

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective for the Group and Company but has no impact on the year-end financial statements except for the disclosure of

- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2); and
- Definition of Accounting Estimates (Amendments to IAS 8).

Material accounting policy information

The Group and the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) on 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments requires the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and determined that no updates to the information disclosed in Note 1.3 Summary of material accounting policies (2022: Summary of significant accounting policies) was required.

1.5 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group and Company's financial statements are disclosed below. The Group and the Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New standards and amendments	Effective date
IFRS 16 Leases (Ammendment - Liability in a Sale and Leaseback)	1 January 2024
IAS 1: Presentation of Financial Statements Classification of Liabilities as Current or Non-current	1 January 2024
IAS 1: Presentation of Financial Statements (Ammendment -Non Current Liabilities with Covennants)	1 January 2024

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

		Group		Company	
		2023	2022	2023	2022
		$	$	$	$
2	**REVENUE**				
(a)	**Operating revenue**				
	Dockage	12,736,407	12,259,360	12,736,407	12,259,360
	Licence fees	248,498	293,056	248,498	293,056
	Marine services	26,930,712	21,811,807	26,930,712	21,811,807
	Other service income	7,107,423	6,617,739	7,107,423	6,617,739
	Ship repair and heavy industries	2,217,638	1,705,691	-	-
	Slipway	888,200	683,567	-	-
	Wharfage	12,542,056	12,856,739	12,542,056	12,856,739
		62,670,934	56,227,959	59,565,097	53,838,701
(b)	**Other revenue**				
	Release of deferred income	224,297	224,297	205,030	205,030
	Dividend income	-	-	5,649,058	5,740,968
	Gain on disposal of property plant & equipment	-	198	-	-
	Management fees	117,281	72,251	117,281	72,251
	Other income	-	110,553	-	-
	Rent income	1,228,738	1,340,611	961,011	1,026,828
		1,570,316	1,747,910	6,932,380	7,045,077
3	**EXPENSES**				
(a)	**Employee benefit expenses**				
	Allowances	125,000	124,895	31,614	29,512
	Annual leave	320,067	260,357	264,679	215,400
	FNPF and FNU levy	893,927	678,589	795,645	612,137
	Fringe benefit tax	45,630	49,228	38,204	40,702
	Movement in long service leave	45,375	38,299	44,173	35,303
	Medical expenses	363,954	353,120	316,927	306,072
	Retirement benefit	69,402	115,185	69,402	115,185
	Salaries and wages	6,414,138	4,805,901	5,365,572	3,976,430
	Sick leave	215,765	234,753	172,808	188,573
	Staff incentive pay	382,393	426,643	382,393	426,643
	Staff welfare	255,315	56,744	229,285	43,754
	Staff training	181,887	132,833	171,387	130,977
		9,312,853	7,276,547	7,882,089	6,120,688
(b)	**Property expenses**				
	Cleaning and sanitation	184,746	166,494	184,746	166,494
	Electricity	504,623	733,767	504,623	733,767
	Property rates	145,151	130,793	145,151	130,793
	Repairs and maintenance	458,843	436,833	486,635	555,853
	Loss on disposal of property,plant & equipment	50	1,034	50	1,034
	Water	415,544	638,350	415,544	638,350
	Low value assets	60,317	92,031	60,317	92,031
		1,769,274	2,199,302	1,797,066	2,318,322

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

		Group		Company	
		2023 $	2022 $	2023 $	2022 $
3	**EXPENSES** *continued*				
(c)	**Marine service charges**				
	Tug/pilot/lines boat hire	10,488,443	9,216,429	10,488,443	9,216,429
	Linesman hire	269,592	207,292	269,592	207,292
	Pilotage service - external	2,648,552	2,078,845	2,648,552	2,078,845
	Security hire	801,154	619,190	801,154	619,190
		14,207,741	12,121,756	14,207,741	12,121,756
(d)	**Operating expenses**				
	Advertising and publicity expense	143,628	105,436	130,865	102,017
	Auditor's remuneration	63,700	21,300	39,500	15,000
	Professional accounting fees	49,298	84,529	23,900	68,680
	Direct material cost	476,401	410,361	-	-
	Directors' fees	100,166	268,833	100,166	268,833
	Movements in expected credit loss	245,295	303,222	280,886	303,222
	Insurance expense	1,833,947	1,693,725	1,655,149	1,498,458
	Professional legal fees	93,450	131,514	80,000	105,000
	Repairs and maintenance - cranes	26,254	13,133	26,254	13,133
	Repairs and maintenance - others	417,021	352,890	273,784	241,965
	Other expenses	2,909,933	2,292,675	2,339,551	1,999,896
		6,359,093	5,677,618	4,950,055	4,616,204
(e)	**Finance income**				
	Interest income inter-company/associate loans	137,677	162,714	238,394	188,290
	Interest Income on Term deposits	703,071	1,064,571	703,071	1,064,571
		840,748	1,227,285	941,465	1,252,861
(f)	**Finance costs**				
	Interest expenses on lease liabilities	59,927	41,284	59,927	41,284
4	**INCOME TAX**				
	The major components of income tax expenses are:				
	Operating profit before tax	32,136,773	32,042,583	32,100,364	30,940,046
	Prima facie tax thereon at 25% (2022: 20%)	8,034,193	6,408,517	8,025,091	6,188,009
	Under/(over)-provision from prior years	30,839	(55,692)	30,839	(55,692)
	Tax losses not recognised	(38,340)	12,248	-	-
	Restatement of deferred tax balances	-	(20,804)	-	(20,149)
	Tax effect of items treated as non-deductible	(1,401,724)	(1,361,311)	(1,412,264)	(1,147,031)
	Deductible expenses	(11,056)	-	(11,056)	-
	Effect of change in tax rate	(2,315,412)	-	(2,277,523)	-
	Income tax expense	4,298,500	4,982,958	4,355,087	4,965,137

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
4 INCOME TAX *continued*				
Current tax (liability)/asset				
Current tax asset as at 31 December relates to the following:				
Balance at the beginning of the year	(953,595)	(518,821)	(953,595)	(661,306)
Current tax provision	(6,601,771)	(5,040,978)	(6,601,771)	(5,040,978)
Deferred tax expense	(500,167)	(463,424)	(500,167)	(463,424)
Net payments made during the year	6,157,160	4,841,416	6,157,160	4,983,901
Provisional and Withholding tax credits	67,311	172,520	67,311	172,520
(Over)/under provision in the prior year	-	55,692	-	55,692
Income tax payable	(1,831,062)	(953,595)	(1,831,062)	(953,595)
Deferred tax assets				
Reflected in the statements of financial position as follows:				
Deferred tax assets	12,095,924	9,292,487	11,887,782	9,140,931
Net deferred tax assets at 31 December relates to the following:				
Deferred tax assets				
Expected credit losses	438,553	301,783	383,446	250,579
Employee entitlements	370,634	286,691	356,683	274,071
ROU assets	11,866	3,708	11,866	3,708
Legal claims	47,076	42,230	47,076	42,230
Decelerated depreciation for tax purposes	11,227,795	8,658,075	11,088,711	8,570,343
	12,095,924	9,292,487	11,887,782	9,140,931
5 TRADE AND OTHER RECEIVABLES				
Current				
Trade receivables	5,159,237	3,906,124	4,873,480	3,628,529
Less: Allowance for expected credit losses	(1,754,210)	(1,445,909)	(1,533,782)	(1,189,890)
	3,405,027	2,460,215	3,339,698	2,438,639
Staff advances	13,122	13,054	13,122	13,054
Shore crane sale receivables [Note 18 (f)]	693,827	804,343	693,827	804,343
Other receivables	1,755,850	996,193	782,673	795,286
Receivable from associate [Note 18(d)]	2,927,779	-	2,927,779	-
Receivable from subsidiary [Note 18(d)]	-	-	2,458	3,088
	8,795,605	4,273,805	7,759,557	4,054,410
Non-Current				
Shore crane sale receivables [Note 18 (f)]	2,384,773	2,940,923	2,384,773	2,940,923
Total trade and other receivables	11,180,378	7,214,728	10,144,330	6,995,333

For terms and condition relating to related party receivables, refer to Note 18. Trade receivables are non-interest bearing and are generally on terms of 30 days.

The information on credit exposure is disclosed in Note 24.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $

5 TRADE AND OTHER RECEIVABLES *continued*

Movement in the provision for impairment of receivables were as follows:

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Balance at 1 January	1,445,909	1,280,797	1,189,890	886,668
Additional provision	352,500	313,814	352,500	303,222
Bad debts written-off	(44,199)	(148,702)	(8,608)	-
Balance at 31 December	1,754,210	1,445,909	1,533,782	1,189,890

At 31 December, the ageing analysis of trade receivables is as follows:

	Year	Total	Neither past due nor impaired	30 - 60 days	60 - 90 days	>90 days
		$	$	$	$	$
Group	2023	5,159,237	2,216,506	807,272	145,495	1,989,964
	2022	3,906,124	1,705,550	773,848	228,855	1,197,871
Company	2023	4,873,480	2,202,206	794,307	132,832	1,744,135
	2022	3,628,529	1,688,875	768,947	228,855	941,852

6 FINANCIAL ASSETS

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Term deposits (*Restated)	60,000,000	60,000,000	60,000,000	60,000,000

Financial assets carried at $60,000,000 (2022: $60,000,000) which represents term deposits with BRED Bank (Fiji) Limited & Home Finance Company Limited. These are for a term of 6 months and interest rates range between 1.15% to 1.5% p.a. (2022: the term remained at 6 months with interest rates ranging between 0.85% to 1.25% p.a.).

* Refer to Note 25.

7 INVENTORIES

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Parts	923,874	878,805	722,431	657,563
Goods in transit	63,890	11,796	63,890	11,796
	987,764	890,601	786,321	669,359

8 OTHER ASSETS

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Prepayments	1,200,966	762,758	696,818	659,268
Less: Allowance for expected credit losses	-	(63,006)	-	(63,006)
	1,200,966	699,752	696,818	596,262
Deposits	469,697	469,647	425,026	425,026
VAT receivable	1,075,888	1,177,243	1,075,888	1,168,928
	2,746,551	2,346,642	2,197,732	2,190,216

9 PROPERTY, PLANT AND EQUIPMENT

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
<u>Land</u>				
Cost:				
At 1 January	16,944,157	16,944,157	15,980,821	15,980,821
At 31 December	16,944,157	16,944,157	15,980,821	15,980,821

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
9 PROPERTY, PLANT AND EQUIPMENT *continued*				
Land *continued*				
Depreciation, impairment and amortisation				
At 1 January	1,588,770	1,364,473	1,452,295	1,247,265
Depreciation charge for the year	224,297	224,297	205,030	205,030
At 31 December	1,813,067	1,588,770	1,657,325	1,452,295
Net book value	15,131,090	15,355,387	14,323,496	14,528,526
Building				
Cost:				
At 1 January	16,137,315	15,447,225	11,496,905	10,806,815
Additions	5,825	5,013	5,825	5,013
Transfers	225,480	692,420	225,480	692,420
Disposals	-	(7,343)	-	(7,343)
At 31 December	16,368,620	16,137,315	11,728,210	11,496,905
Depreciation and impairment				
At 1 January	12,814,444	12,261,594	9,722,907	9,388,943
Depreciation charge for the year	475,989	560,193	292,802	341,307
Disposals	-	(7,343)	-	(7,343)
At 31 December	13,290,433	12,814,444	10,015,709	9,722,907
Net book value	3,078,187	3,322,871	1,712,501	1,773,998
Wharves				
Cost:				
At 1 January	93,125,355	92,921,241	93,125,355	92,921,241
Additions	-	58,076	-	58,076
Transfers	7,843,266	149,538	7,843,266	149,538
Disposals	(3,058)	(3,500)	(3,058)	(3,500)
At 31 December	100,965,563	93,125,355	100,965,563	93,125,355
Depreciation and impairment				
At 1 January	80,331,465	76,462,678	80,331,465	76,462,678
Depreciation charge for the year	4,000,319	3,871,253	4,000,319	3,871,253
Disposals	(3,058)	(2,466)	(3,058)	(2,466)
At 31 December	84,328,726	80,331,465	84,328,726	80,331,465
Net book value	16,636,837	12,793,890	16,636,837	12,793,890
Plant and equipment				
Cost:				
At 1 January	13,669,158	13,437,969	4,746,207	4,519,428
Additions	230,962	188,583	204,279	184,173
Transfers	1,004,662	449,013	1,004,662	449,013
Disposals	(164,343)	(406,407)	(164,343)	(406,407)
At 31 December	14,740,439	13,669,158	5,790,805	4,746,207

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
9 PROPERTY, PLANT AND EQUIPMENT *continued*				
Plant and equipment *continued*				
Depreciation and impairment				
At 1 January	10,823,529	10,391,543	3,632,500	3,608,512
Depreciation charge for the year	951,509	838,393	566,570	430,395
Disposals	(164,093)	(406,407)	(164,093)	(406,407)
At 31 December	11,610,945	10,823,529	4,034,977	3,632,500
Net book value	3,129,494	2,845,629	1,755,828	1,113,707
Furniture and fittings				
Cost:				
At 1 January	461,059	537,022	263,155	341,137
Additions	37,409	8,072	5,305	6,054
Transfers	-	4,152	-	4,151
Disposals	(9,014)	(88,187)	(9,014)	(88,187)
At 31 December	489,454	461,059	259,446	263,155
Depreciation and impairment				
At 1 January	366,188	402,847	185,906	242,464
Depreciation charge for the year	51,358	51,529	27,502	31,629
Disposals	(9,014)	(88,187)	(9,014)	(88,187)
At 31 December	408,532	366,188	204,394	185,906
Net book value	80,922	94,871	55,052	77,249
Motor vehicles				
Cost:				
At 1 January	2,978,724	2,842,719	2,795,419	2,659,414
Additions	165,134	83,945	73,395	83,945
Transfers	26,007	52,060	170,553	52,060
At 31 December	3,169,865	2,978,724	3,039,367	2,795,419
Depreciation and impairment				
At 1 January	1,041,340	767,879	858,034	584,573
Depreciation charge for the year	380,619	273,461	379,295	273,461
At 31 December	1,421,959	1,041,340	1,237,329	858,034
Net book value	1,747,906	1,937,384	1,802,038	1,937,385
Cranes				
Cost:				
At 1 January	6,838,265	6,838,265	6,838,265	6,838,265
At 31 December	6,838,265	6,838,265	6,838,265	6,838,265
Depreciation and impairment				
At 1 January	5,723,708	5,414,581	5,723,708	5,414,581
Depreciation charge for the year	309,127	309,127	309,127	309,127
At 31 December	6,032,835	5,723,708	6,032,835	5,723,708
Net book value	805,430	1,114,557	805,430	1,114,557

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
9 PROPERTY, PLANT AND EQUIPMENT *continued*				
Office equipment				
Cost:				
At 1 January	1,687,264	1,655,102	1,452,816	1,437,002
Additions	245,683	147,044	223,007	128,324
Transfer	-	(2,372)	-	-
Disposals	(3,834)	(112,510)	(3,834)	(112,510)
At 31 December	1,929,113	1,687,264	1,671,989	1,452,816
Depreciation and impairment				
At 1 January	1,375,514	1,256,920	1,176,537	1,068,997
Depreciation charge for the year	212,603	232,091	195,788	220,050
Disposals	(3,834)	(113,497)	(3,834)	(112,510)
At 31 December	1,584,283	1,375,514	1,368,491	1,176,537
Net book value	344,830	311,750	303,498	276,278
Work in progress				
At 1 January	13,866,784	7,217,171	12,666,509	6,066,300
Additions	14,303,696	8,084,547	10,516,874	8,035,143
Transfers	(9,308,180)	(1,430,218)	(9,308,180)	(1,430,218)
Reversed	-	(4,716)	-	(4,716)
At 31 December	18,862,300	13,866,784	13,875,203	12,666,509
Net written down value at 31 December	59,816,994	51,643,125	51,269,885	46,282,100

As at 31 December 2023, the Group and the Company is yet to transfer (seven) 7 land titles of written down value $5.2m to Assets Fiji Limited. After the transfer is completed, the assets will be leased back to the Group and the Company. When the transfers and lease back arrangements are completed, the land values will be transferred from the Property, Plant and Equipment to Right-Of-Use asset category.

Disposals of property, plant and equipment

In 2023, the Group and the Company sold plant and machinery, motor vehicles, and furniture and fittings with a total net carrying amount of $250 (2022: $1,034) for a cash consideration of $200 (2022: $Nil). The net gains/losses on these disposals were recognized as part of other operating income/(expenses) in profit or loss.

10 LEASES

The Group and the Company has a lease contract for a Vessel traffic management system used in its operations. Leases of this equipment generally have lease terms between 3 and 5 years. The Group and the Company's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets. The Group and the Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group and the Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
10 LEASES *continued*				
Set out below are the carrying amounts of right-of-use-assets recognised and the movements during the period:				
Vessel Traffic Management system				
At 1 January	1,744,118	-	1,744,118	-
Additions	-	1,744,118	-	1,744,118
At 31 December	1,744,118	1,744,118	1,744,118	1,744,118
Depreciation:				
At 1 January	(203,480)	-	(203,480)	-
Depreciation expense	(348,824)	(203,480)	(348,824)	(203,480)
At 31 December	(552,304)	(203,480)	(552,304)	(203,480)
	1,191,814	1,540,638	1,191,814	1,540,638
Motor Vehicle				
At 1 January	44,624	44,624	44,624	44,624
At 31 December	44,624	44,624	44,624	44,624
Depreciation: At 1 January	(44,624)	(44,624)	(44,624)	(44,624)
Depreciation expense	-	-	-	-
At 31 December	(44,624)	(44,624)	(44,624)	(44,624)
	-	-	-	-
Set out below are the carrying amounts of lease liabilities and the movements during the period:				
Vessel Traffic Management system				
As at 1 January	1,559,178	-	1,559,178	-
Additions	-	1,744,118	-	1,744,118
Re-Measurement	7,986	-	7,986	-
Payments	(387,813)	(226,224)	(387,813)	(226,224)
Accretion of interest	59,927	41,284	59,927	41,284
As at 31 December	1,239,278	1,559,178	1,239,278	1,559,178
Comprising:				
Current	390,328	387,813	390,328	387,813
Non-current	848,950	1,171,365	848,950	1,171,365
	1,239,278	1,559,178	1,239,278	1,559,178
The following are the amounts recognised in profit or loss:				
Depreciation expense of right-of-use assets	348,824	203,480	348,824	203,480
Interest expense on lease liabilities	59,927	41,284	59,927	41,284
Total amount recognised in profit or loss	408,751	244,764	408,751	244,764

The Group and the Company had total cash outflows for leases of $387,813 in 2023 ($226,224 in 2022). The Group non- cash additions to right-of-use assets and lease liabilities was $nil. The future cash outflows relating to leases that have not yet commenced are disclosed in the notes.

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
11 INTANGIBLE ASSET				
At 1 January	793,371	601,336	748,022	555,987
Additions	-	194,292	-	194,292
Transfers	48,300	-	48,300	-
Disposals	-	(2,257)	-	(2,257)
At 31 December	841,671	793,371	796,322	748,022

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

		Group		Company	
		2023 $	2022 $	2023 $	2022 $
11	**INTANGIBLE ASSET** *continued*				
	Accumulated depreciation				
	At 1 January	590,413	553,654	545,064	508,305
	Amortisation charge for the year	66,855	39,016	66,855	39,016
	Disposals	-	(2,257)	-	(2,257)
	At 31 December	657,268	590,413	611,919	545,064
	Net book value at 31 December	184,403	202,959	184,403	202,958
12	**INVESTMENT PROPERTY**				
	Cost				
	At 1 January	910,067	910,067	910,067	910,067
	Transfers	15,919	-	15,919	-
	At 31 December	925,986	910,067	925,986	910,067
	Accumulated depreciation				
	At 1 January	741,091	687,496	741,091	687,496
	Depreciation charge for the year	49,589	53,595	49,589	53,595
	At 31 December	790,680	741,091	790,680	741,091
	Net book value at 31 December	135,306	168,976	135,306	168,976
13	**TRADE AND OTHER PAYABLES**				
	Trade creditors	1,484,212	772,177	1,361,362	708,062
	Payable to subsidiary [Note 18(d)]	-	-	7,332	111,034
	Payable to associate [Note 18(d)]	2,400	4,862	2,400	4,862
	Sundry creditors	5,206,462	5,429,674	4,178,923	4,746,004
	Dividend payable	2,116,989	-	2,116,989	-
		8,810,063	6,206,713	7,667,006	5,569,962

Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- For terms and conditions relating to related parties, refer to Note 18.
- For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 24 (c).

14 PROVISIONS

a) Legal Claims

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
At 1 January	211,148	148,508	211,148	148,508
Utilised during the year	(102,843)	(42,360)	(102,843)	(42,360)
Provisions arising during the year	80,000	105,000	80,000	105,000
At 31 December	188,305	211,148	188,305	211,148

Provision for legal claim at balance date represents the legal claims & expenditures incurred by the Company and the Group. The provision is reflected in profit or loss as an administrative expense. The Directors are of the opinion that the outcome of these legal claims will not give rise to any significant payments beyond the amounts provided as at 31 December 2023.

b) Other Provisions

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Other Provisions	24,275	11,277	24,275	11,277

Other Provisions represent rental income (less property expenses) received by the Group and the Company that will be remitted to a Government asset company ("Assets Fiji Limited"). The net rental income received is from properties that have or will be transferred to Assets Fiji Limited as part of the share divestment agreements signed on 5 November 2015. The Directors are of the opinion that the outcome of this rental income remittance will not give rise to any significant payments beyond the amounts provided as at 31 December 2023.

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Total Provision	212,580	222,425	212,580	222,425

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

		Group		Company	
		2023 $	2022 $	2023 $	2022 $
15	**EMPLOYEE BENEFIT LIABILITY**				
	At 1 January	1,433,455	1,296,563	1,370,357	1,221,775
	Arising during the year	1,064,023	1,392,369	1,054,086	1,382,637
	Utilised/reversed during the year	(1,014,941)	(1,255,477)	(997,710)	(1,234,055)
	At 31 December	1,482,537	1,433,455	1,426,733	1,370,357
	Analysis of employee benefit liability:				
	Current	894,450	783,004	856,514	739,507
	Non-current	588,087	650,451	570,219	630,850
		1,482,537	1,433,455	1,426,733	1,370,357

16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks net of bank overdraft. Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Cash on hand	4,580	4,580	3,580	3,580
Cash at bank (* Restated)	40,493,127	40,488,565	36,929,842	36,814,391
	40,497,707	40,493,145	36,933,422	36,817,971

* Refer to Note 25.

17 SHARE CAPITAL

a) Issued and paid up capital

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
73,154,852 ordinary shares	73,154,852	73,154,852	73,154,852	73,154,852

Ordinary shares have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the Company.

b) Dividends

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
At 1 January	-	-	-	-
Add: dividends declared during the year	15,584,945	13,404,958	15,584,945	13,404,958
Less: dividends paid during the year	(13,467,956)	(13,404,958)	(13,467,956)	(13,404,958)
At 31 December	2,116,989	-	2,116,989	-

18 RELATED PARTY TRANSACTIONS

Directors

The names of persons who were directors of Fiji Ports Corporation Limited and its subsidiary at any time during the reporting period were as follows:

- Mr. Peter Wise (Chairman) — Appointed on 3rd March 2023
- Mr.Tevita Kuruvakadua — Appointed on 8th August 2015 and resigned on 28th February 2023
- Mr. Iqram Cuttilan — Appointed on 1st July 2017
- Dr. Parakrama Dissanayake — Appointed on 18th March 2019
- Mr. Niranjwan Chettiar — Appointed on 9th September 2020
- Ms. Tupoutua'h Baravilala — Reappointed on 28th April 2021 and resigned on 4th April 2023
- Mr. Vilash Chand — Reappointed on 3rd July 2022 and resigned on 23rd May 2023
- Mr.Tevita Lomalagi — Appointed on 26th September 2022
- Mr. Vijay Maharaj — Appointed on 28th August 2023
- Mr. Ashwin Pal — Appointed on 28th February 2023
- Mr. Emosi Varea — Appointed on 24th April 2023
- Mr. Iliesa Lutu — Appointed on 24th April 2023 and resigned on 19th June 2023
- Mr. Waqa Bauleka — Appointed on 18th May 2023

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

18 RELATED PARTY TRANSACTIONS *continued*

Key Management Personnel

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the financial year the following persons were identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the Company:

Name	**Title**
Vajira Piyasena	Chief Executive Officer
Roshan Abeyesundere	Chief Financial Officer (End Date:12th May 2023)

Identity of related parties

The Company has a related party relationship with its subsidiary, Fiji Ships and Heavy Industries Limited (100% equity interest) and its associate, Fiji Ports Terminal Limited (49% equity interest).

Transactions with related parties

The following transactions were carried out with related parties:

		Group		Company	
		2023 $	**2022 $**	**2023 $**	**2022 $**
(a)	**Key management personnel compensation**				
	Directors				
	Short-term benefits	100,166	268,833	100,166	268,833
	Management				
	Short-term benefits	717,532	520,252	717,532	520,252

The aggregate compensation of the key management personnel comprises only of salary and short term benefits including back payments in 2023.

		Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
(b)	**Sales of goods and services**				
	Management fees income from associate	72,000	72,000	72,000	72,000
	Rental income from associate	2,563,598	2,563,598	2,563,598	2,563,598
	Dividend income from associate	-	-	5,649,058	5,740,968
		2,635,598	2,635,598	8,284,656	8,376,566
(c)	**Purchases of goods and services**				
	Purchase of services from subsidiary	268,135	119,020	268,135	119,020
(d)	**(Payable to)/receivable from subsidiary/associate**				
	Fiji Ports Terminal Limited - Associate	2,925,379	(4,862)	2,925,379	(4,862)
	Fiji Ships and Heavy Industries Limited - Subsidiary	-	-	(4,874)	(107,946)
		2,925,379	(4,862)	2,920,505	(112,808)
	Disclosed as:				
	Receivable from associate (Note 5)	2,927,779	-	2,927,779	-
	Payable to associate (Note 13)	(2,400)	(4,862)	(2,400)	(4,862)
	Receivable from subsidiary (Note 5)	-	-	2,458	3,088
	Payable to subsidiary (Note 13)	-	-	(7,332)	(111,034)
		2,925,379	(4,862)	2,920,505	(112,808)

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

		Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
18	**RELATED PARTY TRANSACTIONS** *continued*				
(e)	**Loan to subsidiary**				
	Beginning of the year	-	-	567,936	708,930
	Additional Loan	-	-	4,000,000	-
	Loan repayments received	-	-	(166,785)	(166,785)
	Interest charged	-	-	100,716	25,791
	End of the year	-	-	4,501,867	567,936
	Comprising:				
	Current	-	-	132,444	130,172
	Non-current	-	-	4,369,423	437,764
		-	-	4,501,867	567,936

The loan to the Subsidiary Company is unsecured and based on approval from the Board of the Company, subject to interest at the fixed rate of 4.0% per annum. In 2022, an additional loan of $8m was approved for capital project, with $4m disbursed in 2023 for this purpose. This is repayable by monthly instalments of $13,899 for prior years loan and current loan repayments will commence from October 2024 . The repayment schedule is reviewed annually.

		Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
(f)	**Receivable from associate - for sale of Shore Cranes**				
	Beginning of the year	3,745,266	4,385,835	3,745,266	4,385,835
	Interest released to profit and loss for the year	137,677	163,774	137,677	163,774
	Payments received during the year	(804,343)	(804,343)	(804,343)	(804,343)
		3,078,600	3,745,266	3,078,600	3,745,266
	Comprising:				
	Current	693,827	804,343	693,827	804,343
	Non-current	2,384,773	2,940,923	2,384,773	2,940,923
		3,078,600	3,745,266	3,078,600	3,745,266

The sale of shore cranes by the Company to FPTL is receivable over ten years at zero interest. Notional interest has been calculated on the interest-free loan at the FPTL's incremental borrowing rate of 4% per annum. The notional interest adjustment has been recognised as an increase in investment in associate at Group and Company level.

		Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
(g)	**Other related parties**				
	Fiji National Provident Fund - member contribution	812,780	614,088	727,402	557,826

19 INVESTMENT IN AN ASSOCIATE

The Group and the Company has a 49% interest in Fiji Ports Terminal Limited at balance date, which is involved in terminal operations including stevedoring at the Ports of Suva and Lautoka. The Group's and the Company's interest in Fiji Ports Terminal Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's and the Company's investment in Fiji Ports Terminal Limited.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023 $	2022 $
19	**INVESTMENT IN AN ASSOCIATE** *continued*		
	Current assets	29,370,815	25,559,056
	Non-current assets	19,405,566	20,841,832
	Current liabilities	(14,995,520)	(9,843,593)
	Non-current liabilities	(13,687,235)	(16,842,632)
	Equity	**20,093,626**	**19,714,663**
	Proportion of the Group's ownership	49%	49%
		9,845,878	9,660,185
	Goodwill	5,294,384	5,294,384
	Carrying amount of the investment	**15,140,262**	**14,954,569**
	Revenue	38,867,644	39,364,938
	Operating expenses	(22,346,087)	(21,493,487)
	Finance costs	(643,472)	(754,025)
	Finance income	176,116	230,851
	Profit before tax	**16,054,201**	**17,348,277**
	Income tax expense	(4,146,548)	(3,445,482)
	Profit for the year	11,907,653	13,902,795
	Group's share of profit for the year	**5,834,751**	**6,812,370**

		Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
20	**CAPITAL COMMITMENTS**				
	Capital expenditure:				
	- approved by the Board and committed	28,506,345	22,464,873	22,507,170	13,144,919
21	**RENTAL INCOME COMMITMENTS**				
	Not later than one year	990,231	1,035,855	990,231	1,035,855
	Later than one year but not later than five years	286,674	438,021	286,674	438,021
	Later than five years	3,092,225	5,700,078	3,092,225	5,700,078
		4,369,130	7,173,954	4,369,130	7,173,954
22	**CONTINGENT LIABILITIES**				
	Bank guarantee for HM Customs and FEA bonds	1,702,423	1,702,423	81,000	81,000
		1,702,423	1,702,423	81,000	81,000
a)	**FUTURE LEASE COMMITMENTS**				
	Not later than one year	560,845	557,232	560,845	557,232
	Later than one year but not later than five years	1,355,377	1,903,874	1,355,377	1,903,874
		1,916,222	2,461,106	1,916,222	2,461,106

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**

23 DEFERRED INCOME

Deferred income represents assets assigned to the Group to use in its operations by the Government of Fiji through Assets Fiji Limited. The assets assigned to the Group are based on conditions that these would only be used for the operating activities of the Group.

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Opening balance	9,626,058	9,850,355	8,799,196	9,004,226
Less: Amortisation charges during the year	(224,297)	(224,297)	(205,030)	(205,030)
Closing balance	9,401,761	9,626,058	8,594,166	8,799,196
Comprising:				
Current	224,297	224,297	205,030	205,030
Non-current	9,177,464	9,401,761	8,389,136	8,594,166
	9,401,761	9,626,058	8,594,166	8,799,196

Movement in the accumulated amortisation are as follows:

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
As at 1 January	1,588,770	1,364,473	1,452,296	1,247,266
Amortisation charge for the year	224,297	224,297	205,030	205,030
As at 31 December	1,813,067	1,588,770	1,657,326	1,452,296

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Group and Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

Risk management is carried out by finance executives and management of controlled entities of the Group and Company. Management and finance executives identify, and evaluate financial risks in close co-operation with the Group and Company's operating units. The Board provides direction for overall risk management covering specific areas, such as mitigating credit risks, and investment of excess liquidity.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group and the Company income or the value of its of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on

(i) Political

The Group and the Company operates in Fiji and changes to governments and the policies they implement affect economic situation and ultimately the revenues of the group. To address this, the Group and the Company reviews its pricing and product range regularly and responds to change in policies appropriately.

(ii) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group and the Company exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group and the Company are exposed to currency risk through transaction in foreign currencies. These currencies include the Australian (AUD) and US (USD) dollar. As the currency in which the Group and Company presents its financial statements is the Fiji dollar, the Group and Company financial statements are affected by movements in the exchange rates between these currencies and the Fiji dollar.

Sensitivity analysis

A strengthening/(weakening) of the Fiji dollar, as indicated below, against the USD and AUD would have increased/(decreased) equity and the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. Analysis is performed accordingly for 2023 and 2022.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

The following significant exchange rates were applied during the period:

	Reporting date mid spot rate 2023 $	2022 $
AUD	0.65	0.65
USD	0.44	0.44

Strengthening/(Weakening)
Statement of profit or loss and other comprehensive income

		Group 2023 $	2022 $	Company 2023 $	2022 $
Effect in FJD					
AUD	+10%	42,815	41,842	42,114	41,842
	-10%	(42,815)	(42,842)	(42,114)	(42,842)
USD	+10%	1,333	1,335	1,333	1,335
	-10%	(1,333)	(1,335)	(1,333)	(1,335)

(b) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group and the Company receivables from customers.

The Group and Company has no significant concentrations of credit risk. The Group and the Company has policies in place to ensure that services are provided to customers with an appropriate credit history. The Group and Company has policies that limit the amount of credit exposure to any one customer or group of customers. Credit levels accorded to customers are regularly reviewed to reduce the exposure to risk of bad debts.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

The carrying amount of financial assets represents the maximum credit exposure.

	Notes	Group 2023 $	2022 $	Company 2023 $	2022 $
Cash and cash equivalents (*Restated)	16	40,497,707	40,493,145	36,933,422	36,817,971
Trade and other receivables	5	11,180,378	4,273,805	10,144,330	6,995,333
Loan to Subsidiary	18(e)	-	-	4,501,867	567,936
Other assets	8	2,746,551	2,346,692	2,197,732	2,190,216
Financial assets (*Restated)	6	60,000,000	60,000,000	60,000,000	60,000,000
		114,424,636	107,113,642	113,777,351	106,571,456

* Refer to Note 25.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(b) Credit risk *continued*

Ageing of trade receivables

The table below summarises the ageing of trade receivables as at 31 December based on contractual undiscounted payments:

Group	Total	0-30 days	31-60 days	61-90 days	Over 90 days
31 December 2023					
Expected credit loss rate	34.00%	0.00%	0.00%	0.00%	88.15%
Trade receivable	5,159,237	2,216,506	807,272	145,495	1,989,964
Expected credit loss	1,754,210	-	-	-	1,754,210
31 December 2022					
Expected credit loss rate	37.02%	0.00%	0.00%	108.38%	100.00%
Trade receivable	3,906,124	1,705,550	773,848	228,855	1,197,871
Expected credit loss	1,445,909	-	-	248,038	1,197,871

Company	Total	0-30 days	31-60 days	61-90 days	Over 90 days
31 December 2023					
Expected credit loss rate	31.47%	0.00%	0.00%	0.00%	87.94%
Trade receivable	4,873,480	2,202,206	794,307	132,832	1,744,135
Expected credit loss	1,533,782	-	-	-	1,533,782
31 December 2022					
Expected credit loss rate	32.79%	0.00%	0.00%	108.38%	100.00%
Trade receivable	3,628,529	1,688,875	768,947	228,855	941,852
Expected credit loss	1,189,890	-	-	248,038	941,852

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group and the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash, marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(c) Liquidity risk *continued*

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Group

31 December 2023	< 1 year	1 to 5 years	> 5 years	Total
	$	$	$	$
Trade and other payables	8,810,063	-	-	8,810,063
Provisions	212,580	-	-	212,580
Employee benefit liability	894,450	225,484	362,603	1,482,537
Income tax liability	1,831,062	-	-	1,831,062
	11,748,155	225,484	362,603	12,336,242

Company

31 December 2023	< 1 year	1 to 5 years	> 5 years	Total
	$	$	$	$
Trade and other payables	7,667,006	-	-	7,667,006
Provisions	212,580	-	-	212,580
Employee benefit liability	856,514	224,282	345,937	1,426,733
Income tax liability	1,831,062	-	-	1,831,062
	10,567,162	224,282	345,937	11,137,381

Group

31 December 2022	< 1 year	1 to 5 years	> 5 years	Total
	$	$	$	$
Trade and other payables	6,206,713	-	-	6,206,713
Provisions	222,425	-	-	222,425
Employee benefit liability	783,004	202,590	447,861	1,433,455
Income tax liability	953,595	-	-	953,595
	8,165,737	202,590	447,861	8,816,188

Company

31 December 2022	< 1 year	1 to 5 years	> 5 years	Total
	$	$	$	$
Trade and other payables	5,569,962	-	-	5,569,962
Provisions	222,425	-	-	222,425
Employee benefit liability	739,507	190,138	440,712	1,370,357
Income tax liability	953,595	-	-	953,595
	7,485,489	190,138	440,712	8,116,339

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(d) Capital risk management

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group and the Company's objectives when obtaining and managing capital are to safeguard the ability to continue as a going concern and provide shareholders with a consistent level of returns and to maintain an optimal capital structure to reduce the cost of capital.

The Group and the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total capital. Debt is calculated as total borrowing (including 'current and non- current borrowing' as shown in the Group statement of financial position). Total capital is calculated as 'equity' as shown in the statement of financial position plus debt.

	Group		Company	
	2023 $	**2022 $**	**2023 $**	**2022 $**
Interest bearing borrowings	-	-	-	-
Equity	180,999,822	168,746,494	175,433,573	163,273,241
Capital and debt	**180,999,822**	**168,746,494**	**175,433,573**	**163,273,241**
Gearing ratio	0%	0%	0%	0%

25 COMPARATIVE FIGURES

The Group and the Company have restated the comparative figures to reflect the correct classification of the term deposits held. The impact of the affected financial statement line items is noted in the tables below.

Statements of Financial Position as at 31 December 2022

Group	**Previously reported $**	**Adjustment $**	**Restated $**
Cash and cash equivalents	55,493,145	(15,000,000)	40,493,145
Financial asset	45,000,000	15,000,000	60,000,000
Total current assets	108,004,243	-	108,004,243
Total assets	188,727,919	-	188,727,919
Net Assets	168,746,494	-	168,746,494

Company	**Previously reported $**	**Adjustment $**	**Restated $**
Cash and cash equivalents	51,817,971	(15,000,000)	36,817,971
Financial asset	45,000,000	15,000,000	60,000,000
Total current assets	103,862,128	-	103,862,128
Total assets	181,747,955	-	181,747,955
Net Assets	163,273,241	-	163,273,241

FIJI PORTS CORPORATION LIMITED and its Subsidiary

Notes to the Financial Statements *continued*

FOR THE YEAR ENDED 31 DECEMBER 2023

25 COMPARATIVE FIGURES *continued*

Statements of Cash Flows 2022

Group	Previously reported	Adjustment	Restated
	$	$	$
Net cash provided by Operating activities	27,399,341	-	27,399,341
Net cash used in Investing activities	(3,027,020)	-	(3,027,020)
Net cash used in Financing activities	(13,404,958)	-	(13,404,958)
Net increase in cash and cash equivalents	10,967,363	-	10,967,363
Cash and cash equivalents at the beginning of the year	44,525,782	(15,000,000)	29,525,782
Cash and cash equivalents at the end of the year	55,493,145	(15,000,000)	40,493,145

Company	Previously reported	Adjustment	Restated
	$	$	$
Net cash provided by Operating activities	26,301,177	-	26,301,177
Net cash used in Investing activities	(2,813,056)	-	(2,813,056)
Net cash used in Financing activities	(13,404,958)	-	(13,404,958)
Net increase in cash and cash equivalents	10,083,163	-	10,083,163
Cash and cash equivalents at the beginning of the year	41,734,808	(15,000,000)	26,734,808
Cash and cash equivalents at the end of the year	51,817,971	(15,000,000)	36,817,971

Statements of Financial Position as at 01 January 2022

Group	Previously reported	Adjustment	Restated
	$	$	$
Cash and cash equivalents	44,525,782	(15,000,000)	29,525,782
Financial asset	45,000,000	15,000,000	60,000,000
Total current assets	95,264,238	-	95,264,238
Total assets	171,344,238	-	171,344,238
Net Assets	155,091,827	-	155,091,827

Company	Previously reported	Adjustment	Restated
	$	$	$
Cash and cash equivalents	41,734,808	(15,000,000)	26,734,808
Financial asset	45,000,000	15,000,000	60,000,000
Total current assets	91,991,317	-	91,991,317
Total assets	165,803,124	-	165,803,124
Net Assets	150,703,290	-	150,703,290

26 PRINCIPAL ACTIVITIES

The principal activity of the Company is providing and managing the port infrastructure and services within declared ports. The principal activity of the subsidiary trading as "Fiji Ships and Heavy Industries Limited" is the provision of ship repair and slipway services. There has been no significant change in these activities during the year.

27 SUBSEQUENT EVENTS

No events have manifested in the interval between the end of the financial year and the date of this report that have significantly affected the operations of the Group or the Company in the subsequent financial year.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group or the Company, the results of those operations, or the state of affairs of the Group or Company in future financial years.

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